
SUBSTITUTE SENATE BILL 5254

State of Washington

65th Legislature

2017 Regular Session

By Senate Local Government (originally sponsored by Senators Fain, Palumbo, Zeiger, Angel, Hobbs, and Mullet)

READ FIRST TIME 02/15/17.

1 AN ACT Relating to ensuring adequacy of buildable lands and
2 zoning in urban growth areas and providing funding for low-income
3 housing and homelessness programs; amending RCW 36.70A.115,
4 36.70A.215, 36.70A.070, 47.80.023, 36.70A.210, 43.62.035, 36.70A.110,
5 36.22.179, 82.46.037, 43.185C.030, 43.185C.040, 43.185C.160,
6 36.22.178, 36.22.1791, 43.185C.240, 43.21C.440, and 43.21C.229;
7 adding a new section to chapter 43.185C RCW; adding a new chapter to
8 Title 84 RCW; and creating new sections.

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

10 **Sec. 1.** RCW 36.70A.115 and 2009 c 121 s 3 are each amended to
11 read as follows:

12 (1) Counties and cities that are required or choose to plan under
13 RCW 36.70A.040 shall ensure that, taken collectively, adoption of and
14 amendments to their comprehensive plans and/or development
15 regulations provide sufficient capacity of land suitable for
16 development within their jurisdictions to accommodate their allocated
17 housing and employment growth, including the accommodation of, as
18 appropriate, the medical, governmental, educational, institutional,
19 commercial, and industrial facilities related to such growth, as
20 adopted in the applicable countywide planning policies and consistent
21 with the twenty-year population forecast from the office of financial

1 management. Counties, and the cities within those counties, that are
2 subject to the review and evaluation program of RCW 36.70A.215, shall
3 also utilize the review and evaluation criteria set forth in RCW
4 36.70A.215(3) when conducting the land capacity analysis required by
5 this section.

6 (2) This chapter does not prevent a county or city that is
7 required to or chooses to plan under RCW 36.70A.040 from planning to
8 accommodate more than its allocated housing and/or employment growth.

9 **Sec. 2.** RCW 36.70A.215 and 2011 c 353 s 3 are each amended to
10 read as follows:

11 (1) Subject to the limitations in subsection (~~((7))~~) (6) of this
12 section, a county shall adopt, in consultation with its cities,
13 countywide planning policies to establish a review and evaluation
14 program. This program shall be in addition to the requirements of RCW
15 36.70A.110, 36.70A.130, and 36.70A.210. In developing and
16 implementing the review and evaluation program required by this
17 section, the county and its cities shall consider information from
18 other appropriate jurisdictions and sources. The purpose of the
19 review and evaluation program shall be to:

20 (a) Determine whether a county and its cities are achieving urban
21 densities within urban growth areas by comparing growth and
22 development assumptions, targets, and objectives contained in the
23 countywide planning policies and the county and city comprehensive
24 plans with actual growth and development that has occurred in the
25 county and its cities; and

26 (b) Identify reasonable measures, other than adjusting urban
27 growth areas, that will be taken to comply with the requirements of
28 this chapter.

29 (2) The review and evaluation program shall:

30 (a) Encompass land uses and activities both within and outside of
31 urban growth areas and provide for annual collection of data on urban
32 and rural land uses, development, critical areas, and capital
33 facilities to the extent necessary to determine the quantity and type
34 of land suitable for development, both for residential and
35 employment-based activities;

36 (b) Provide for evaluation of the data collected under (a) of
37 this subsection as provided in subsection (3) of this section. The
38 evaluation shall be completed no later than one year prior to the
39 deadline for review and, if necessary, update of comprehensive plans

1 and development regulations as required by RCW 36.70A.130. The county
2 and its cities may establish in the countywide planning policies
3 indicators, benchmarks, and other similar criteria to use in
4 conducting the evaluation;

5 (c) Provide for methods to resolve disputes among jurisdictions
6 relating to the countywide planning policies required by this section
7 and procedures to resolve inconsistencies in collection and analysis
8 of data; and

9 (d) Provide for the amendment of the countywide policies and
10 county and city comprehensive plans as needed to remedy an
11 inconsistency identified through the evaluation required by this
12 section, or to bring these policies into compliance with the
13 requirements of this chapter.

14 (3) At a minimum, the evaluation component of the program
15 required by subsection (1) of this section shall:

16 (a) Determine whether there is sufficient suitable land to
17 accommodate the countywide population projection established for the
18 county pursuant to RCW 43.62.035 and the subsequent population
19 allocations within the county and between the county and its cities
20 and the requirements of RCW 36.70A.110, and this determination is
21 required to include the following factors:

22 (i) Utilize a reasonable land market supply factor that reduces
23 the amount of land suitable to accommodate new development, which
24 reasonable land market supply factor must include an assessment of
25 the willingness of existing landowners to develop, redevelop, or sell
26 their property for development or redevelopment, including but not
27 limited to both consumption demand (i.e., satisfying the housing
28 market demand for development and redevelopment parcels) and the
29 reductions that occur due to speculative demand (i.e., the demand
30 driven by owners' decisions to hold property for potential higher
31 future returns). However, if a percentage factor for speculative
32 demand cannot be calculated based on local data, then a factor of
33 fifty percent must be used;

34 (ii) When determining a redevelopment threshold (i.e., a ratio of
35 existing improvement value to land value), adjust that threshold to
36 recognize that even with an identical redevelopment threshold ratio,
37 smaller lots and lots in less expensive areas are less likely to
38 redevelop than larger lots and lots in more expensive areas;

39 (iii) When determining a redevelopment threshold, adjust that
40 threshold to recognize a percentage of land available for

1 redevelopment will be redeveloped in its entirety, whereas another
2 percentage will retain an existing improvement, with additional
3 development added to only a portion of the site;

4 (iv) Utilize adjustments that incorporate the likelihood that
5 redevelopment will not occur if the costs to redevelop will exceed
6 the likely profit to be made;

7 (v) Utilize adjustments that evaluate the adequacy of
8 infrastructure currently available to serve property, including but
9 not limited to transportation, water, sewer, and stormwater, and the
10 cost to provide new or upgraded infrastructure if required to serve
11 redevelopment;

12 (vi) Utilize adjustments for the types of housing and commercial
13 development that may drive development patterns that are different
14 than the initial analysis concludes, including variations in type of
15 development and variations in migration patterns, and household size
16 and income, and market demand for different types of housing,
17 including detached, attached low-rise, attached mid-rise, and
18 attached high-rise housing; and

19 (vii) Utilize adjustments that address physical factors of
20 certain properties which, while not protected critical areas, still
21 limit desirability or the profitability of land for development or
22 redevelopment;

23 (b) Determine the actual density of housing that has been
24 constructed and the actual amount of land developed for commercial
25 and industrial uses within the urban growth area since the adoption
26 of a comprehensive plan under this chapter or since the last periodic
27 evaluation as required by subsection (1) of this section; and

28 (c) Based on the actual density of development as determined
29 under (b) of this subsection, review commercial, industrial, and
30 housing needs by type and density range to determine the amount of
31 land needed for commercial, industrial, and housing for the remaining
32 portion of the twenty-year planning period used in the most recently
33 adopted comprehensive plan.

34 (4) If the evaluation required by subsection (3) of this section
35 demonstrates an inconsistency between what has occurred since the
36 adoption of the countywide planning policies and the county and city
37 comprehensive plans and development regulations and what was
38 envisioned in those policies and plans and the planning goals and the
39 requirements of this chapter, as the inconsistency relates to the
40 evaluation factors specified in subsection (3) of this section, the

1 county and its cities shall adopt and implement measures that are
2 reasonably likely to increase consistency during the subsequent five-
3 year period. If necessary, a county, in consultation with its cities
4 as required by RCW 36.70A.210, shall adopt amendments to countywide
5 planning policies to increase consistency. The county and its cities
6 shall annually monitor the measures adopted under this subsection to
7 determine their effect and may revise or rescind them as appropriate.

8 ~~(5)((a) Not later than July 1, 1998, the department shall~~
9 ~~prepare a list of methods used by counties and cities in carrying out~~
10 ~~the types of activities required by this section. The department~~
11 ~~shall provide this information and appropriate technical assistance~~
12 ~~to counties and cities required to or choosing to comply with the~~
13 ~~provisions of this section.~~

14 ~~(b) By December 31, 2007, the department shall submit to the~~
15 ~~appropriate committees of the legislature a report analyzing the~~
16 ~~effectiveness of the activities described in this section in~~
17 ~~achieving the goals envisioned by the countywide planning policies~~
18 ~~and the comprehensive plans and development regulations of the~~
19 ~~counties and cities.~~

20 ~~(6))~~ From funds appropriated by the legislature for the
21 2017-2019 fiscal biennium for this purpose, the department shall
22 provide grants to counties, cities, and regional planning
23 organizations required under subsection ~~((7))~~ (6) of this section
24 to conduct the review and perform the evaluation required by this
25 section. This review must be completed by June 30, 2018.

26 ~~((7))~~ (6) The provisions of this section shall apply to
27 counties, and the cities within those counties, that were greater
28 than one hundred fifty thousand in population in 1995 as determined
29 by office of financial management population estimates and that are
30 located west of the crest of the Cascade mountain range, and to
31 counties and cities within those counties located east of the crest
32 of the Cascade mountain range that were greater than one hundred
33 seventy-five thousand in population in 2015 as determined by the
34 office of financial management population estimates. Any other county
35 planning under RCW 36.70A.040 may carry out the review, evaluation,
36 and amendment programs and procedures as provided in this section.

37 (7) The department of commerce, through a contract with the urban
38 land institute, shall develop guidance for local governments on the
39 evaluation program in subsection (3) of this section. The department
40 of commerce shall enable appropriate public participation by affected

1 stakeholders in the development of the guidance. This guidance must
2 be completed by December 1, 2017.

3 **Sec. 3.** RCW 36.70A.070 and 2015 c 241 s 2 are each amended to
4 read as follows:

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

14 (1) A land use element designating the proposed general
15 distribution and general location and extent of the uses of land,
16 where appropriate, for agriculture, timber production, housing,
17 commerce, industry, recreation, open spaces, general aviation
18 airports, public utilities, public facilities, and other land uses.
19 The land use element shall include population densities, building
20 intensities, and estimates of future population growth. The land use
21 element shall provide for protection of the quality and quantity of
22 groundwater used for public water supplies. Wherever possible, the
23 land use element should consider utilizing urban planning approaches
24 that promote physical activity. Where applicable, the land use
25 element shall review drainage, flooding, and storm water run-off in
26 the area and nearby jurisdictions and provide guidance for corrective
27 actions to mitigate or cleanse those discharges that pollute waters
28 of the state, including Puget Sound or waters entering Puget Sound.

29 (2) A housing element ensuring the vitality and character of
30 established residential neighborhoods that: (a) Includes an inventory
31 and analysis of existing and projected housing needs that identifies
32 the number of housing units necessary to manage projected growth; (b)
33 includes a statement of goals, policies, objectives, and mandatory
34 provisions for the preservation, improvement, and development of
35 housing, including single-family residences; (c) identifies
36 sufficient land for housing, including, but not limited to,
37 government-assisted housing, housing for low-income families,
38 manufactured housing, multifamily housing, and group homes and foster

1 care facilities; and (d) makes adequate provisions for existing and
2 projected needs of all economic segments of the community.

3 (i) After July 1, 2019, counties and cities subject to this
4 section must conduct a housing supply and affordability review and
5 amend comprehensive plans and development regulations to encourage
6 increased supply of residential housing whenever the following
7 population and housing market conditions occur:

8 (A) The office of financial management's annual forecast shows
9 that actual population within that county is higher than the office
10 of financial management's twenty-year population forecast used by the
11 county and cities in its current comprehensive plan; or

12 (B) The housing affordability index for that county is less than
13 one hundred; and

14 (C) Less than four months of residential inventory is available
15 within that county for two out of the last six quarters.

16 (ii) Counties and cities shall utilize data from the office of
17 financial management for purposes of evaluating (d)(i) of this
18 subsection.

19 (iii) The housing supply and affordability review must, at a
20 minimum, either increase the capacity for residential development to
21 accommodate the office of financial management's high population
22 estimate under RCW 43.62.035; or provide an analysis demonstrating
23 how that jurisdiction's inventory, affordability, or excess growth
24 can be addressed through other strategies.

25 (iv) Counties and cities are required to initiate adoption of a
26 housing supply and affordability review within three months of
27 meeting the criteria in (d)(i) of this subsection, and shall complete
28 adoption within one hundred eighty days. However, no local government
29 is required to implement this process more than twice during the
30 eight-year period between the mandatory comprehensive plan update
31 deadlines in RCW 36.70A.130(5).

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

1 falls short of meeting existing needs and to ensure that the land use
2 element, capital facilities plan element, and financing plan within
3 the capital facilities plan element are coordinated and consistent.
4 Park and recreation facilities shall be included in the capital
5 facilities plan element.

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

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

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

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

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

- 33 (i) Containing or otherwise controlling rural development;
34 (ii) Assuring visual compatibility of rural development with the
35 surrounding rural area;
36 (iii) Reducing the inappropriate conversion of undeveloped land
37 into sprawling, low-density development in the rural area;
38 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
39 and surface water and groundwater 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
6 may allow for limited areas of more intensive rural development,
7 including necessary public facilities and public services to serve
8 the limited 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
13 developments.

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

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

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

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

37 (iii) The intensification of development on lots containing
38 isolated nonresidential uses or new development of isolated cottage
39 industries and isolated small-scale businesses that are not
40 principally designed to serve the existing and projected rural

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

13 (iv) A county shall adopt measures to minimize and contain the
14 existing areas or uses of more intensive rural development, as
15 appropriate, authorized under this subsection. Lands included in such
16 existing areas or uses shall not extend beyond the logical outer
17 boundary of the existing area or use, thereby allowing a new pattern
18 of low-density sprawl. Existing areas are those that are clearly
19 identifiable and contained and where there is a logical boundary
20 delineated predominately by the built environment, but that may also
21 include undeveloped lands if limited as provided in this subsection.
22 The county shall establish the logical outer boundary of an area of
23 more intensive rural development. In establishing the logical outer
24 boundary, the county shall address (A) the need to preserve the
25 character of existing natural neighborhoods and communities, (B)
26 physical boundaries, such as bodies of water, streets and highways,
27 and land forms and contours, (C) the prevention of abnormally
28 irregular boundaries, and (D) the ability to provide public
29 facilities and public services in a manner that does not permit low-
30 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
37 provisions of this chapter under RCW 36.70A.040(2); or

38 (C) On the date the office of financial management certifies the
39 county's population as provided in RCW 36.70A.040(5), in a county

1 that is planning under all of the provisions of this chapter pursuant
2 to RCW 36.70A.040(5).

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

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

9 (a) The transportation element shall include the following
10 subelements:

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

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

18 (iii) Facilities and services needs, including:

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

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

28 (C) For state-owned transportation facilities, level of service
29 standards for highways, as prescribed in chapters 47.06 and 47.80
30 RCW, to gauge the performance of the system. The purposes of
31 reflecting level of service standards for state highways in the local
32 comprehensive plan are to monitor the performance of the system, to
33 evaluate improvement strategies, and to facilitate coordination
34 between the county's or city's six-year street, road, or transit
35 program and the office of financial management's ten-year investment
36 program. The concurrency requirements of (b) of this subsection do
37 not apply to transportation facilities and services of statewide
38 significance except for counties consisting of islands whose only
39 connection to the mainland are state highways or ferry routes. In
40 these island counties, state highways and ferry route capacity must

1 be a factor in meeting the concurrency requirements in (b) of this
2 subsection;

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

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

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

13 (iv) Finance, including:

14 (A) An analysis of funding capability to judge needs against
15 probable funding resources;

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

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

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

31 (vi) Demand-management strategies;

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

36 (b) After adoption of the comprehensive plan by jurisdictions
37 required to plan or who choose to plan under RCW 36.70A.040, local
38 jurisdictions must adopt and enforce ordinances which prohibit
39 development approval if the development causes the level of service
40 on a locally owned transportation facility to decline below the

1 standards adopted in the transportation element of the comprehensive
2 plan, unless transportation improvements or strategies to accommodate
3 the impacts of development are made concurrent with the development.
4 These strategies may include increased public transportation service,
5 ride-sharing programs, demand management, and other transportation
6 systems management strategies. For the purposes of this subsection
7 (6), "concurrent with the development" means that improvements or
8 strategies are in place at the time of development, or that a
9 financial commitment is in place to complete the improvements or
10 strategies within six years. If the collection of impact fees is
11 delayed under RCW 82.02.050(3), the six-year period required by this
12 subsection (6)(b) must begin after full payment of all impact fees is
13 due to the county or city.

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

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

32 (8) A park and recreation element that implements, and is
33 consistent with, the capital facilities plan element as it relates to
34 park and recreation facilities. The element shall include: (a)
35 Estimates of park and recreation demand for at least a ten-year
36 period; (b) an evaluation of facilities and service needs; and (c) an
37 evaluation of intergovernmental coordination opportunities to provide
38 regional approaches for meeting park and recreational demand.

39 (9) It is the intent that new or amended elements required after
40 January 1, 2002, be adopted concurrent with the scheduled update

1 provided in RCW 36.70A.130. Requirements to incorporate any such new
2 or amended elements shall be null and void until funds sufficient to
3 cover applicable local government costs are appropriated and
4 distributed by the state at least two years before local government
5 must update comprehensive plans as required in RCW 36.70A.130.

6 **Sec. 4.** RCW 47.80.023 and 2009 c 515 s 15 are each amended to
7 read as follows:

8 Each regional transportation planning organization shall have the
9 following duties:

10 (1) Prepare and periodically update a transportation strategy for
11 the region. The strategy shall address alternative transportation
12 modes and transportation demand management measures in regional
13 corridors and shall recommend preferred transportation policies to
14 implement adopted growth strategies. The strategy shall serve as a
15 guide in preparation of the regional transportation plan. However, no
16 transportation or growth strategy may include or adopt a maximum
17 population, household, employment and/or job growth target applicable
18 to a regional transportation planning organization's member county,
19 city, or town comprehensive plan adopted pursuant to chapter 36.70A
20 RCW. Such a maximum target, whether adopted prior or subsequent to
21 the effective date of this section, is unenforceable.

22 (2) Prepare a regional transportation plan as set forth in RCW
23 47.80.030 that is consistent with countywide planning policies if
24 such have been adopted pursuant to chapter 36.70A RCW, with county,
25 city, and town comprehensive plans, and state transportation plans.

26 (3) Certify by December 31, 1996, that the transportation
27 elements of comprehensive plans adopted by counties, cities, and
28 towns within the region reflect the guidelines and principles
29 developed pursuant to RCW 47.80.026, are consistent with the adopted
30 regional transportation plan, and, where appropriate, conform with
31 the requirements of RCW 36.70A.070. In the exercise of its duties, a
32 regional transportation planning organization has no authority to
33 reject, disapprove, or condition or otherwise limit its approval of a
34 local government growth management comprehensive plan or element
35 thereof based on the local government's planning for population,
36 household, job and/or employment growth levels within a designated
37 urban growth area in excess of the population, household, job and/or
38 employment targets allocated to the local government pursuant to
39 chapter 36.70A RCW. Such a rejection, disapproval, or conditional

1 approval, whether adopted prior or subsequent to the effective date
2 of this section, is unenforceable.

3 (4) Where appropriate, certify that countywide planning policies
4 adopted under RCW 36.70A.210 and the adopted regional transportation
5 plan are consistent.

6 (5) Develop, in cooperation with the department of
7 transportation, operators of public transportation services and local
8 governments within the region, a six-year regional transportation
9 improvement program which proposes regionally significant
10 transportation projects and programs and transportation demand
11 management measures. The regional transportation improvement program
12 shall be based on the programs, projects, and transportation demand
13 management measures of regional significance as identified by transit
14 agencies, cities, and counties pursuant to RCW 35.58.2795, 35.77.010,
15 and 36.81.121, respectively, and any recommended programs or projects
16 identified by the agency council on coordinated transportation, as
17 provided in chapter 47.06B RCW, that advance special needs
18 coordinated transportation as defined in RCW 47.06B.012. The program
19 shall include a priority list of projects and programs, project
20 segments and programs, transportation demand management measures, and
21 a specific financial plan that demonstrates how the transportation
22 improvement program can be funded. The program shall be updated at
23 least every two years for the ensuing six-year period.

24 (6) Include specific opportunities and projects to advance
25 special needs coordinated transportation, as defined in RCW
26 47.06B.012, in the coordinated transit-human services transportation
27 plan, after providing opportunity for public comment.

28 (7) Designate a lead planning agency to coordinate preparation of
29 the regional transportation plan and carry out the other
30 responsibilities of the organization. The lead planning agency may be
31 a regional organization, a component county, city, or town agency, or
32 the appropriate Washington state department of transportation
33 district office.

34 (8) Review level of service methodologies used by cities and
35 counties planning under chapter 36.70A RCW to promote a consistent
36 regional evaluation of transportation facilities and corridors.

37 (9) Work with cities, counties, transit agencies, the department
38 of transportation, and others to develop level of service standards
39 or alternative transportation performance measures.

1 (10) Submit to the agency council on coordinated
2 transportation(~~(, as provided in chapter 47.06B RCW,)~~) beginning on
3 July 1, 2007, and every four years thereafter, an updated plan that
4 includes the elements identified by the council. Each regional
5 transportation planning organization must submit to the council every
6 two years a prioritized regional human service and transportation
7 project list.

8 (11) In the exercise of its duties and/or in the adoption of any
9 plan, guideline, principle, or strategy under the authority of this
10 chapter, a regional transportation planning organization has no
11 authority to adopt or determine maximum population, household,
12 employment and/or job growth targets applicable to the regional
13 transportation planning organization's member counties', cities', or
14 towns' comprehensive plans adopted pursuant to chapter 36.70A RCW.
15 Such a maximum target, whether adopted prior or subsequent to the
16 effective date of this section, is unenforceable.

17 **Sec. 5.** RCW 36.70A.210 and 2009 c 121 s 2 are each amended to
18 read as follows:

19 (1) The legislature recognizes that counties are regional
20 governments within their boundaries, and cities are primary providers
21 of urban governmental services within urban growth areas. For the
22 purposes of this section, a "countywide planning policy" is a written
23 policy statement or statements used solely for establishing a
24 countywide framework from which county and city comprehensive plans
25 are developed and adopted pursuant to this chapter. This framework
26 shall ensure that city and county comprehensive plans are consistent
27 as required in RCW 36.70A.100. Nothing in this section shall be
28 construed to alter the land-use powers of cities.

29 (2) The legislative authority of a county that plans under RCW
30 36.70A.040 shall adopt a countywide planning policy in cooperation
31 with the cities located in whole or in part within the county as
32 follows:

33 (a) No later than sixty calendar days from July 16, 1991, the
34 legislative authority of each county that as of June 1, 1991, was
35 required or chose to plan under RCW 36.70A.040 shall convene a
36 meeting with representatives of each city located within the county
37 for the purpose of establishing a collaborative process that will
38 provide a framework for the adoption of a countywide planning policy.
39 In other counties that are required or choose to plan under RCW

1 36.70A.040, this meeting shall be convened no later than sixty days
2 after the date the county adopts its resolution of intention or was
3 certified by the office of financial management.

4 (b) The process and framework for adoption of a countywide
5 planning policy specified in (a) of this subsection shall determine
6 the manner in which the county and the cities agree to all procedures
7 and provisions including but not limited to desired planning
8 policies, deadlines, ratification of final agreements and
9 demonstration thereof, and financing, if any, of all activities
10 associated therewith.

11 (c) If a county fails for any reason to convene a meeting with
12 representatives of cities as required in (a) of this subsection, the
13 governor may immediately impose any appropriate sanction or sanctions
14 on the county from those specified under RCW 36.70A.340.

15 (d) If there is no agreement by October 1, 1991, in a county that
16 was required or chose to plan under RCW 36.70A.040 as of June 1,
17 1991, or if there is no agreement within one hundred twenty days of
18 the date the county adopted its resolution of intention or was
19 certified by the office of financial management in any other county
20 that is required or chooses to plan under RCW 36.70A.040, the
21 governor shall first inquire of the jurisdictions as to the reason or
22 reasons for failure to reach an agreement. If the governor deems it
23 appropriate, the governor may immediately request the assistance of
24 the department of ((community, trade, and economic development))
25 commerce to mediate any disputes that preclude agreement. If
26 mediation is unsuccessful in resolving all disputes that will lead to
27 agreement, the governor may impose appropriate sanctions from those
28 specified under RCW 36.70A.340 on the county, city, or cities for
29 failure to reach an agreement as provided in this section. The
30 governor shall specify the reason or reasons for the imposition of
31 any sanction.

32 (e) No later than July 1, 1992, the legislative authority of each
33 county that was required or chose to plan under RCW 36.70A.040 as of
34 June 1, 1991, or no later than fourteen months after the date the
35 county adopted its resolution of intention or was certified by the
36 office of financial management the county legislative authority of
37 any other county that is required or chooses to plan under RCW
38 36.70A.040, shall adopt a countywide planning policy according to the
39 process provided under this section and that is consistent with the
40 agreement pursuant to (b) of this subsection, and after holding a

1 public hearing or hearings on the proposed countywide planning
2 policy.

3 (3) A countywide planning policy shall at a minimum, address the
4 following:

5 (a) Policies to implement RCW 36.70A.110;

6 (b) Policies for promotion of contiguous and orderly development
7 and provision of urban services to such development;

8 (c) Policies for siting public capital facilities of a countywide
9 or statewide nature, including transportation facilities of statewide
10 significance as defined in RCW 47.06.140;

11 (d) Policies for countywide transportation facilities and
12 strategies;

13 (e) Policies that consider the need for affordable housing, such
14 as housing for all economic segments of the population and parameters
15 for its distribution;

16 (f) Policies for joint county and city planning within urban
17 growth areas;

18 (g) Policies for countywide economic development and employment,
19 which must include consideration of the future development of
20 commercial and industrial facilities; ~~((and))~~

21 (h) An analysis of the fiscal impact; and

22 (i) A process and schedule providing for consideration no more
23 frequently than once every year of updates, amendments, or revisions
24 of the countywide planning policy proposed by the county or any city
25 or town within the county.

26 (4) Federal agencies and Indian tribes may participate in and
27 cooperate with the countywide planning policy adoption process.
28 Adopted countywide planning policies shall be adhered to by state
29 agencies.

30 (5) Failure to adopt a countywide planning policy that meets the
31 requirements of this section may result in the imposition of a
32 sanction or sanctions on a county or city within the county, as
33 specified in RCW 36.70A.340. In imposing a sanction or sanctions, the
34 governor shall specify the reasons for failure to adopt a countywide
35 planning policy in order that any imposed sanction or sanctions are
36 fairly and equitably related to the failure to adopt a countywide
37 planning policy.

38 (6) Cities and the governor may appeal an adopted countywide
39 planning policy or the denial of a proposed update, revision, or

1 amendment to the growth management hearings board within sixty days
2 of the adoption of the countywide planning policy.

3 (7) Multicounty planning policies shall be adopted by two or more
4 counties, each with a population of four hundred fifty thousand or
5 more, with contiguous urban areas and may be adopted by other
6 counties, according to the process established under this section or
7 other processes agreed to among the counties and cities within the
8 affected counties throughout the multicounty region.

9 (8) No countywide or multicounty planning policy may adopt or
10 include maximum population, household, job, or employment targets
11 applicable to city or town growth management comprehensive plans, or
12 otherwise prevent cities or towns from planning for population,
13 household, job, and/or employment growth levels within a designated
14 urban growth area in excess of the growth targets allocated to the
15 local government pursuant to this chapter. Such a maximum target,
16 whether adopted prior or subsequent to the effective date of this
17 section, is unenforceable.

18 **Sec. 6.** RCW 43.62.035 and 1997 c 429 s 26 are each amended to
19 read as follows:

20 (1) The office of financial management shall determine the
21 population of each county of the state annually as of April 1st of
22 each year and on or before July 1st of each year shall file a
23 certificate with the secretary of state showing its determination of
24 the population for each county. The office of financial management
25 also shall determine the percentage increase in population for each
26 county over the preceding ten-year period, as of April 1st, and shall
27 file a certificate with the secretary of state by July 1st showing
28 its determination. ((At least once every five years or upon the
29 availability of decennial census data, whichever is later,)) In the
30 year prior to the year during which counties and cities within those
31 counties are required to review, and if needed, revise comprehensive
32 plans under RCW 36.70A.130(5) the office of financial management
33 shall prepare twenty-year growth management planning population
34 projections required by RCW 36.70A.110 for each county that adopts a
35 comprehensive plan under RCW 36.70A.040 and shall review these
36 projections with such counties and the cities in those counties
37 before final adoption. The county and its cities may provide to the
38 office such information as they deem relevant to the office's

1 projection, and the office shall consider and comment on such
2 information before adoption.

3 (2) Each projection shall be expressed as a reasonable range
4 developed within the standard state high and low projection. The
5 middle range shall represent the office's estimate of the most likely
6 population projection for the county. If any city or county believes
7 that a projection will not accurately reflect actual population
8 growth in a county, it may petition the office to revise the
9 projection accordingly. The office shall complete the first set of
10 ranges for every county by December 31, 1995.

11 (3) A comprehensive plan adopted or amended before December 31,
12 1995, shall not be considered to be in noncompliance with the twenty-
13 year growth management planning population projection if the
14 projection used in the comprehensive plan is in compliance with the
15 range later adopted under this section.

16 (4) In its annual population trends report, the office of
17 financial management shall include information for each county and
18 city relating to: (a) The actual population growth within each county
19 and city; (b) a comparison of job growth and housing growth; (c)
20 whether the population growth is more or less than the population
21 estimate used by the county in its most recent comprehensive plan;
22 (d) data on housing supply, including new single-family and
23 multifamily construction, and permitted but not yet constructed
24 housing units; (e) the housing affordability index for that county;
25 and (f) the residential housing inventory for that county, expressed
26 in months of inventory. The office of financial management shall use
27 information from the Runstad center for real estate studies at the
28 University of Washington, or a comparable data source.

29 **Sec. 7.** RCW 36.70A.110 and 2010 c 211 s 1 are each amended to
30 read as follows:

31 (1) Each county that is required or chooses to plan under RCW
32 36.70A.040 shall designate an urban growth area or areas within which
33 urban growth shall be encouraged and outside of which growth can
34 occur only if it is not urban in nature. Each city that is located in
35 such a county shall be included within an urban growth area. An urban
36 growth area may include more than a single city. An urban growth area
37 may include territory that is located outside of a city only if such
38 territory already is characterized by urban growth whether or not the
39 urban growth area includes a city, or is adjacent to territory

1 already characterized by urban growth, or is a designated new fully
2 contained community as defined by RCW 36.70A.350.

3 (2) Based upon the growth management population projection made
4 for the county by the office of financial management, the county and
5 each city within the county shall include areas and densities
6 sufficient to permit the urban growth that is projected to occur in
7 the county or city for the succeeding twenty-year period, except for
8 those urban growth areas contained totally within a national
9 historical reserve. As part of this planning process, each city
10 within the county must include areas sufficient to accommodate the
11 broad range of needs and uses that will accompany the projected urban
12 growth including, as appropriate, medical, governmental,
13 institutional, commercial, service, retail, and other nonresidential
14 uses. In addition to including areas and densities sufficient for
15 urban growth in the county or city for the succeeding twenty-year
16 period, each city and county for which actual population growth
17 exceeded planned growth during the prior year shall include
18 additional areas or densities capable of accommodating the amount of
19 actual residential growth that exceeded planned growth in the prior
20 year.

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

32 Within one year of July 1, 1990, each county that as of June 1,
33 1991, was required or chose to plan under RCW 36.70A.040, shall begin
34 consulting with each city located within its boundaries and each city
35 shall propose the location of an urban growth area. Within sixty days
36 of the date the county legislative authority of a county adopts its
37 resolution of intention or of certification by the office of
38 financial management, all other counties that are required or choose
39 to plan under RCW 36.70A.040 shall begin this consultation with each
40 city located within its boundaries. The county shall attempt to reach

1 agreement with each city on the location of an urban growth area
2 within which the city is located. If such an agreement is not reached
3 with each city located within the urban growth area, the county shall
4 justify in writing why it so designated the area an urban growth
5 area. A city may object formally with the department over the
6 designation of the urban growth area within which it is located.
7 Where appropriate, the department shall attempt to resolve the
8 conflicts, including the use of mediation services.

9 (3) Urban growth should be located first in areas already
10 characterized by urban growth that have adequate existing public
11 facility and service capacities to serve such development, second in
12 areas already characterized by urban growth that will be served
13 adequately by a combination of both existing public facilities and
14 services and any additional needed public facilities and services
15 that are provided by either public or private sources, and third in
16 the remaining portions of the urban growth areas. Urban growth may
17 also be located in designated new fully contained communities as
18 defined by RCW 36.70A.350.

19 (4) In general, cities are the units of local government most
20 appropriate to provide urban governmental services. In general, it is
21 not appropriate that urban governmental services be extended to or
22 expanded in rural areas except in those limited circumstances shown
23 to be necessary to protect basic public health and safety and the
24 environment and when such services are financially supportable at
25 rural densities and do not permit urban development.

26 (5) On or before October 1, 1993, each county that was initially
27 required to plan under RCW 36.70A.040(1) shall adopt development
28 regulations designating interim urban growth areas under this
29 chapter. Within three years and three months of the date the county
30 legislative authority of a county adopts its resolution of intention
31 or of certification by the office of financial management, all other
32 counties that are required or choose to plan under RCW 36.70A.040
33 shall adopt development regulations designating interim urban growth
34 areas under this chapter. Adoption of the interim urban growth areas
35 may only occur after public notice; public hearing; and compliance
36 with the state environmental policy act, chapter 43.21C RCW, and
37 under this section. Such action may be appealed to the growth
38 management hearings board under RCW 36.70A.280. Final urban growth
39 areas shall be adopted at the time of comprehensive plan adoption
40 under this chapter.

1 (6) Each county shall include designations of urban growth areas
2 in its comprehensive plan.

3 (7) An urban growth area designated in accordance with this
4 section may include within its boundaries urban service areas or
5 potential annexation areas designated for specific cities or towns
6 within the county.

7 (8)(a) Except as provided in (b) of this subsection, the
8 expansion of an urban growth area is prohibited into the one hundred
9 year floodplain of any river or river segment that: (i) Is located
10 west of the crest of the Cascade mountains; and (ii) has a mean
11 annual flow of one thousand or more cubic feet per second as
12 determined by the department of ecology.

13 (b) Subsection (8)(a) of this section does not apply to:

14 (i) Urban growth areas that are fully contained within a
15 floodplain and lack adjacent buildable areas outside the floodplain;

16 (ii) Urban growth areas where expansions are precluded outside
17 floodplains because:

18 (A) Urban governmental services cannot be physically provided to
19 serve areas outside the floodplain; or

20 (B) Expansions outside the floodplain would require a river or
21 estuary crossing to access the expansion; or

22 (iii) Urban growth area expansions where:

23 (A) Public facilities already exist within the floodplain and the
24 expansion of an existing public facility is only possible on the land
25 to be included in the urban growth area and located within the
26 floodplain; or

27 (B) Urban development already exists within a floodplain as of
28 July 26, 2009, and is adjacent to, but outside of, the urban growth
29 area, and the expansion of the urban growth area is necessary to
30 include such urban development within the urban growth area; or

31 (C) The land is owned by a jurisdiction planning under this
32 chapter or the rights to the development of the land have been
33 permanently extinguished, and the following criteria are met:

34 (I) The permissible use of the land is limited to one of the
35 following: Outdoor recreation; environmentally beneficial projects,
36 including but not limited to habitat enhancement or environmental
37 restoration; storm water facilities; flood control facilities; or
38 underground conveyances; and

39 (II) The development and use of such facilities or projects will
40 not decrease flood storage, increase storm water runoff, discharge

1 pollutants to fresh or salt waters during normal operations or
2 floods, or increase hazards to people and property.

3 (c) For the purposes of this subsection (8), "one hundred year
4 floodplain" means the same as "special flood hazard area" as set
5 forth in WAC 173-158-040 as it exists on July 26, 2009.

6 **Sec. 8.** RCW 36.22.179 and 2014 c 200 s 1 are each amended to
7 read as follows:

8 (1) In addition to the surcharge authorized in RCW 36.22.178, and
9 except as provided in subsection (2) of this section, an additional
10 surcharge of ten dollars shall be charged by the county auditor for
11 each document recorded, which will be in addition to any other charge
12 allowed by law. From September 1, 2012, through June 30, ((2019))
13 2027, the surcharge shall be forty dollars. The funds collected
14 pursuant to this section are to be distributed and used as follows:

15 (a) The auditor shall retain two percent for collection of the
16 fee, and of the remainder shall remit sixty percent to the county to
17 be deposited into a fund that must be used by the county and its
18 cities and towns to accomplish the purposes of chapter 484, Laws of
19 2005, six percent of which may be used by the county for the
20 collection and local distribution of these funds and administrative
21 costs related to its homeless housing plan, and the remainder for
22 programs which directly accomplish the goals of the county's local
23 homeless housing plan, except that for each city in the county which
24 elects as authorized in RCW 43.185C.080 to operate its own local
25 homeless housing program, a percentage of the surcharge assessed
26 under this section equal to the percentage of the city's local
27 portion of the real estate excise tax collected by the county shall
28 be transmitted at least quarterly to the city treasurer, without any
29 deduction for county administrative costs, for use by the city for
30 program costs which directly contribute to the goals of the city's
31 local homeless housing plan; of the funds received by the city, it
32 may use six percent for administrative costs for its homeless housing
33 program.

34 (b) The auditor shall remit the remaining funds to the state
35 treasurer for deposit in the home security fund account. The
36 department may use twelve and one-half percent of this amount for
37 administration of the program established in RCW 43.185C.020,
38 including the costs of creating the statewide homeless housing
39 strategic plan, measuring performance, providing technical assistance

1 to local governments, and managing the homeless housing grant
2 program. Of the remaining eighty-seven and one-half percent, at least
3 forty-five percent must be set aside for the use of private rental
4 housing payments, and the remainder is to be used by the department
5 to:

6 (i) Provide housing and shelter for homeless people including,
7 but not limited to: Grants to operate, repair, and staff shelters;
8 grants to operate transitional housing; partial payments for rental
9 assistance; consolidated emergency assistance; overnight youth
10 shelters; grants and vouchers designated for victims of human
11 trafficking and their families; and emergency shelter assistance; and

12 (ii) Fund the homeless housing grant program.

13 (2) The surcharge imposed in this section does not apply to (a)
14 assignments or substitutions of previously recorded deeds of trust,
15 (b) documents recording a birth, marriage, divorce, or death, (c) any
16 recorded documents otherwise exempted from a recording fee or
17 additional surcharges under state law, (d) marriage licenses issued
18 by the county auditor, or (e) documents recording a state, county, or
19 city lien or satisfaction of lien or a water-sewer district lien for
20 nonpayment for water-sewer services.

21 **Sec. 9.** RCW 82.46.037 and 2016 c 138 s 4 are each amended to
22 read as follows:

23 (1) A city or county that meets the requirements of subsection
24 (2) of this section may use the greater of one hundred thousand
25 dollars or twenty-five percent of available funds, but not to exceed
26 one million dollars per year, from revenues collected under RCW
27 82.46.035 for:

28 (a) The maintenance of capital projects, as defined in RCW
29 82.46.035(5); (~~or~~)

30 (b) From July 1, 2017, until June 30, 2019, the acquisition,
31 construction, improvement, or rehabilitation of facilities to provide
32 housing for the homeless; or

33 (c) The planning, acquisition, construction, reconstruction,
34 repair, replacement, rehabilitation, improvement, or maintenance of
35 capital projects as defined in RCW 82.46.010(6)(b) that are not also
36 included within the definition of capital projects in RCW
37 82.46.035(5).

38 (2) A city or county may use revenues pursuant to subsection (1)
39 of this section if:

1 (a) The city or county prepares a written report demonstrating
2 that it has or will have adequate funding from all sources of public
3 funding to pay for all capital projects, as defined in RCW
4 82.46.035(5), identified in its capital facilities plan for the
5 succeeding two-year period; and

6 (b)(i) The city or county has not enacted, after June 9, 2016,
7 any requirement on the listing or sale of real property; or any
8 requirement on landlords, at the time of executing a lease, to
9 perform or provide physical improvements or modifications to real
10 property or fixtures, except if necessary to address an immediate
11 threat to health or safety; ~~((e))~~

12 (ii) Any local requirement adopted by the city or county under
13 (b)(i) of this subsection is: Specifically authorized by RCW
14 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;
15 specifically authorized by other state or federal law; or a seller or
16 landlord disclosure requirement pursuant to RCW 64.06.080; or

17 (iii) For a city or county using funds under subsection (1)(b) of
18 this section, the requirements of this subsection apply, except that
19 the date for such enactment under (b)(i) of this subsection is ninety
20 days after the effective date of this section.

21 (3) The report prepared under subsection (2)(a) of this section
22 must: (a) Include information necessary to determine compliance with
23 the requirements of subsection (2)(a) of this section; (b) identify
24 how revenues collected under RCW 82.46.035 were used by the city or
25 county during the prior two-year period; (c) identify how funds
26 authorized under subsection (1) of this section will be used during
27 the succeeding two-year period; and (d) identify what percentage of
28 funding for capital projects within the city or county is
29 attributable to revenues under RCW 82.46.035 compared to all other
30 sources of capital project funding. The city or county must prepare
31 and adopt the report as part of its regular, public budget process.

32 ~~(4) ((The authority to use funds as authorized in this section is~~
33 ~~in addition to the authority to use funds pursuant to RCW~~
34 ~~82.46.035(7), which remains in effect through December 31, 2016.~~

35 ~~(5))~~ For purposes of this section, "maintenance" means the use
36 of funds for labor and materials that will preserve, prevent the
37 decline of, or extend the useful life of a capital project.
38 "Maintenance" does not include labor or material costs for routine
39 operations of a capital project.

1 NEW SECTION. **Sec. 10.** The legislature finds that:

2 (1) Families, senior citizens, and workers with fewer financial
3 resources are more likely to experience unhealthy and unsafe housing
4 conditions;

5 (2) Healthy homes promote good physical and mental health. When
6 adequate housing protects individuals and families from harmful
7 exposures and provides them with a sense of privacy, security,
8 stability, and control, it can make important contributions to health
9 and well-being;

10 (3) Affordable housing is a necessary component of strong,
11 thriving neighborhoods with healthy physical and social environments;

12 (4) Very low-income household renters should have the opportunity
13 to live in homes in neighborhoods close to major infrastructure
14 investments like transit, quality schools for children, and vital
15 services like health care, grocery shopping, and employment;

16 (5) Community members with critical occupations, senior citizens,
17 and families are struggling to afford rent around the state;

18 (6) Rising rents are causing the displacement of very low-income
19 household renters and long-time community members, risking the loss
20 of cultural communities;

21 (7) Property owners require additional resources to make health,
22 safety, and quality improvements to buildings without raising rents
23 to pay for repairs; and

24 (8) Communities need a wide range of local tools to create
25 healthy, affordable homes and address affordable housing needs.

26 NEW SECTION. **Sec. 11.** It is the purpose of this chapter to give
27 communities a local option to preserve and increase healthy, high-
28 quality affordable rental housing opportunities for very low-income
29 households for which the governing authority has found that there are
30 insufficient healthy affordable housing opportunities. It is also the
31 purpose of this chapter to ensure that housing opportunities are
32 affordable to renters at below-market rent levels, as determined by
33 the governing authority, with consideration of community needs,
34 market rental costs, and income levels of renters.

35 NEW SECTION. **Sec. 12.** The definitions in this section apply
36 throughout this chapter unless the context clearly requires
37 otherwise.

1 (1) "Energy and water efficiency standards" means housing that
2 meets standards substantially equivalent to evergreen sustainable
3 development standards, as established by the Washington state
4 department of commerce.

5 (2) "Governing authority" means the local legislative authority
6 of a city or county having jurisdiction over the property for which
7 an exemption may be applied under this chapter.

8 (3) "Health and quality standards" means standards substantially
9 equivalent to uniform physical condition standards, as established by
10 the United States department of housing and urban development, or the
11 national healthy housing standard, as established by the national
12 center for healthy housing and the American public health
13 association. Governing authority may use a residential housing
14 inspection program within the jurisdiction that has established the
15 tax exemption, as long as the standards are substantially equivalent
16 to uniform physical condition standards or the national healthy
17 housing standard.

18 (4) "High-cost area" means a county where the third quarter
19 median house price for the previous year as reported by the Runstad
20 center for real estate studies at the University of Washington is
21 equal to or greater than one hundred thirty percent of the statewide
22 median house price published during the same time period.

23 (5) "Household" means a single person, family, or unrelated
24 persons living together.

25 (6) "Multifamily dwelling" means a building consisting of more
26 than one dwelling unit, as further defined by the governing
27 authority.

28 (7) "Owner" means the property owner of record.

29 (8) "Permanent residential occupancy" means housing that provides
30 rental occupancy on a nontransient basis. "Permanent residential
31 occupancy" includes rental accommodation that is leased for a period
32 of at least one month. "Permanent residential occupancy" excludes
33 hotels and motels that predominately offer rental accommodation on a
34 daily or weekly basis.

35 (9) "Property" means a multifamily dwelling not designed as
36 transient accommodations, and the land upon which the dwelling is
37 located. "Property" excludes hotels or motels. "Property" may also
38 include a single-family dwelling and the land upon which the dwelling
39 is located if the governing authority adopts a program for such
40 property as provided in section 18(1)(e) of this act.

1 (10) "Rehabilitation improvements" means modifications to
2 existing property made to achieve substantial compliance with health
3 and quality standards or energy and water efficiency standards.

4 (11) "Single-family dwelling unit" means an individual detached
5 dwelling, as further defined by the governing authority.

6 (12) "Very low-income household" means a single person, family,
7 or unrelated persons living together whose adjusted income is at or
8 below fifty percent of the median family income adjusted for family
9 size, for the county in which the project is located, as reported by
10 the United States department of housing and urban development. For
11 cities located in high-cost areas, "very low-income household" means
12 a household that has an income at or below sixty percent of the
13 median family income adjusted for family size, for the county in
14 which the project is located.

15 NEW SECTION. **Sec. 13.** A city governing authority may adopt a
16 property tax exemption program to preserve affordable housing that
17 meets health and quality standards for very low-income households at
18 risk of displacement or that cannot afford market-rate housing. A
19 county governing authority may adopt a property tax exemption program
20 for unincorporated areas of the county to preserve affordable housing
21 that meets health and quality standards for very low-income
22 households at risk of displacement or that cannot afford market-rate
23 housing.

24 NEW SECTION. **Sec. 14.** (1) Upon adoption of a property tax
25 exemption program, the governing authority must establish standards
26 for very low-income household rental housing under this chapter,
27 including rent limits and income guidelines consistent with local
28 housing needs, to assist very low-income households that cannot
29 afford market-rate housing. Affordable housing units must be:

30 (a) Below market rent levels as determined by the governing
31 authority; and

32 (b) Affordable to households with an income of fifty percent or
33 less of the county median family income, adjusted for family size.

34 (2)(a) The governing authority, after holding a public hearing,
35 may also establish lower income levels or lower rent levels adjusted
36 to serve very low-income household renters in the community.

37 (b) The governing authority of a high-cost area, after holding a
38 public hearing, may also establish higher income levels. The higher

1 income level may not exceed sixty percent of the county area median
2 family income, adjusted for family size.

3 (3) Rent levels for affordable housing units may not exceed
4 thirty percent of the income limit for the low-income housing unit,
5 as established by the governing authority, and must include tenant-
6 paid utilities other than telephone and any mandatory fees required
7 as a condition of tenancy.

8 NEW SECTION. **Sec. 15.** (1) The value of residential real
9 property qualifying under this chapter is exempt from ad valorem
10 property taxation, except taxes levied by the state, for a period of
11 fifteen successive years beginning January 1st of the calendar year
12 immediately following the calendar year in which a certificate of tax
13 exemption is filed with the county assessor in accordance with
14 section 21 of this act.

15 (2) The governing authority may extend the duration of the
16 exemption period by three years for properties meeting energy and
17 water efficiency standards.

18 (3) The incentive provided under this chapter is in addition to
19 any tax credits, grants, or other incentives provided by law.

20 (4) This chapter neither applies to increases in assessed
21 valuation made by the assessor on nonqualifying portions of building
22 or land nor to increases made by lawful order of a county board of
23 equalization, the department of revenue, or a county, to a class of
24 property throughout the county or specific area of the county to
25 achieve the uniformity of assessment or appraisal required by law.

26 (5) The exemption does not apply to any county property tax
27 unless the legislative authority of the county adopts a resolution
28 and notifies the governing authority of the jurisdiction within the
29 county that has established a tax exempt program of its intent to
30 allow the property to be exempt.

31 (6) The governing authority must notify local taxing districts in
32 the designated exemption area when a tax exemption program is
33 established under this chapter.

34 NEW SECTION. **Sec. 16.** To be eligible for the exemption from
35 property taxation under this chapter, in addition to other
36 requirements set forth in this chapter, the property must be in
37 compliance with the following applicable requirements for the entire
38 exemption period:

1 (1) A minimum of twenty-five percent of units in a multiple-unit
2 property subject to tax exemption must be affordable as described in
3 section 14 of this act. A governing authority may require more than
4 twenty-five percent affordable units in multiple-unit housing
5 buildings subject to tax exemption to address local market
6 conditions. Affordable units must be comparable in terms of quality
7 and living conditions to market rate units in the building;

8 (2) At least ninety percent of the units of multiple-unit
9 property must be occupied by tenants at the time of application;

10 (3) The property must be part of a residential or mixed-use
11 (residential and nonresidential) project;

12 (4) The property must provide for a minimum of fifty percent of
13 the space in each building for permanent residential occupancy;

14 (5) The property must meet guidelines as adopted by the governing
15 authority that may include height, density, public benefit features,
16 number and size of proposed development, parking, income limits for
17 occupancy, limits on rents, health and quality standards, and other
18 adopted requirements indicated as necessary by the governing
19 authority. The required amenities should be relative to the size of
20 the project and tax benefit to be obtained; and

21 (6) The property owner must enter into a contract with the city
22 or county approved by the governing authority, or an administrative
23 official or commission authorized by the governing authority, under
24 which the property owner has agreed to terms and conditions
25 satisfactory to the governing authority.

26 NEW SECTION. **Sec. 17.** (1) To be eligible for the exemption from
27 taxation under this chapter, the property must also comply with all
28 applicable land use regulations, zoning requirements, and building
29 and housing code requirements, including space and occupancy,
30 structural, mechanical, fire, safety, and security standards, and
31 health and quality standards. The governing authority may establish
32 additional standards to meet local needs.

33 (2)(a) The governing authority may waive certain health and
34 quality standards for up to two years if the owner of the property
35 submits a rehabilitation plan to comply with health and quality
36 standards. The owner must notify the governing authority at the time
37 of completion of rehabilitation. The waiver of certain health and
38 quality standards only applies to rehabilitation improvements
39 specifically included in the rehabilitation plan.

1 (b) The governing authority must establish minimum health and
2 quality standards for properties to qualify for a waiver under (a) of
3 this subsection. The governing authority may not waive health and
4 quality standards that endanger or impair the health and safety of
5 any tenant.

6 (c) Nothing in this subsection may exempt or waive any
7 obligations under federal, state, and local laws.

8 (3) The property must be inspected for compliance with
9 subsections (1) and (2) of this section at the time of application
10 for tax exemption and, thereafter, as established by the governing
11 authority at least once every three years.

12 (4) If the governing authority grants a waiver of certain health
13 and quality standards under subsection (2) of this section, the
14 property must be inspected when the owner notifies the governing
15 authority that rehabilitation has been completed or at the end of the
16 waiver period, whichever occurs first.

17 (5) The governing authority or its duly authorized representative
18 may deny an application for tax exemption or revoke an existing
19 exemption under this chapter for failure to comply with health and
20 quality standards.

21 NEW SECTION. **Sec. 18.** (1) The governing authority may establish
22 additional requirements for tax exemption eligibility or program
23 rules under this chapter including, but not limited to:

24 (a) A limit on the total number of affordable housing units
25 subject to exemption under this chapter;

26 (b) The designation of targeted residential areas for property to
27 align with community needs, including to prevent displacement,
28 preserve cultural communities, and provide affordable housing options
29 near community infrastructure such as transportation or public
30 schools;

31 (c) Standards for property size, unit size, unit type, mix of
32 unit types, or mix of unit sizes;

33 (d) An exemption extension for property meeting minimum energy
34 and water efficiency standards substantially equivalent to evergreen
35 sustainable development building performance standards;

36 (e) A program for single-family dwelling rental units occupied by
37 tenants complying with affordability requirements under this chapter
38 as adopted by the governing authority;

1 (f) Any additional requirements to reduce displacement of very
2 low-income household tenants.

3 (2) The governing authority must adopt and implement standards
4 and guidelines to be utilized in considering applications and making
5 the determinations required under this chapter. The standards and
6 guidelines must establish basic requirements to include:

7 (a) An application process and procedures;

8 (b) Guidelines that may include height, density, public benefit
9 features, number and size of proposed development, parking, income
10 limits for occupancy, limits on rents, health and quality standards,
11 and other adopted requirements indicated as necessary by the
12 governing authority. The required amenities should be relative to the
13 size of the project and tax benefit to be obtained;

14 (c) An inspection policy and procedures to ensure the property
15 complies with housing and health and quality standards;

16 (d) Income and rent limits as required under section 14 of this
17 act; and

18 (e) Documentation necessary to establish income eligibility of
19 households in affordable housing units.

20 (3) Standards may apply to part or all of a jurisdiction and
21 different standards may be applied to different areas within a
22 jurisdiction or to different types of development. Programs
23 authorized under this section may be modified to meet local needs and
24 may include provisions not expressly provided in this section.

25 NEW SECTION. **Sec. 19.** An owner of property making an
26 application under this chapter must apply by August 1st of the year
27 prior to the first calendar year in which the taxes for collection
28 are to be considered for exemption and meet the following
29 requirements:

30 (1) The applicant must apply to the city or county on forms
31 adopted by the governing authority. The application must contain the
32 following:

33 (a) Information setting forth the grounds supporting the
34 requested exemption, including information indicated on the
35 application form or in the guidelines;

36 (b) A description of the project and site plan, including the
37 floor plan of units and other information requested;

1 (c) A statement that the applicant is aware of the potential tax
2 liability involved when the property ceases to be eligible for the
3 incentive provided under this chapter;

4 (d) When the governing authority finds that rehabilitation is
5 required to meet health and quality standards or evergreen
6 sustainable development building performance standards, a
7 rehabilitation plan outlining rehabilitation improvements, budget,
8 and proposed schedule for repairs; and

9 (e) A certification of family size and annual income in a form
10 acceptable to the governing authority for designated affordable
11 housing units;

12 (2) The applicant must verify the application by oath or
13 affirmation; and

14 (3) The applicant must submit a fee, if any, with the application
15 as required under this chapter. The governing authority may permit
16 the applicant to revise an application before final action by the
17 governing authority.

18 NEW SECTION. **Sec. 20.** (1) Upon receipt of an application
19 meeting the requirements of section 19 of this act, the governing
20 authority must inspect the property to certify compliance with health
21 and quality standards or to grant a waiver upon submission of a
22 rehabilitation plan by the owner of the property.

23 (2) The duly authorized administrative official or committee of
24 the governing authority may approve the application if it finds that:

25 (a) The property meets affordable housing requirements as
26 described in section 14 of this act;

27 (b) The property meets health and quality standards, or a waiver
28 is granted upon submission of a rehabilitation plan by the property
29 owner;

30 (c) The property rehabilitation plan is of appropriate scope to
31 be completed within the designated time frame of waiver and will
32 result in property compliance with health and quality standards, as
33 outlined in section 17 of this act; and

34 (d) The owner has complied with all standards and guidelines
35 adopted by the governing authority under this chapter.

36 NEW SECTION. **Sec. 21.** (1) The governing authority, or an
37 administrative official or commission authorized by the governing
38 authority, must approve or deny an application filed under this

1 chapter within one hundred twenty days. The governing authority may
2 adopt standards to extend the period to approve or deny an
3 application filed under this chapter for a property that does not
4 meet health and quality standards.

5 (2)(a) If the application is approved, the governing authority
6 must issue the owner of the property a certificate of tax exemption
7 and file the certificate of exemption with the county assessor no
8 later than December 1st of the year prior to the first calendar year
9 in which the taxes for collection are to be exempt. If the
10 certificate of exemption is filed after December 1st and before
11 January 1st, the certificate of exemption is deemed filed in the next
12 calendar year. The certificate must contain a statement by a duly
13 authorized administrative official of the governing authority that
14 the property has complied with the required findings indicated in
15 this chapter.

16 (b) The governing authority may issue a conditional certificate
17 of acceptance of tax exemption if a property must complete a
18 rehabilitation plan in order to comply with health and quality
19 standards. The rehabilitation must be completed within two years of
20 the date of application for a tax exemption.

21 (3)(a) If the application is denied by the authorized
22 administrative official or commission authorized by the governing
23 authority, the deciding administrative official or commission must
24 state in writing the reasons for denial and send the notice to the
25 applicant at the applicant's last known address within ten days of
26 the denial.

27 (b) Upon denial by the authorized administrative official or
28 commission, an applicant may appeal the denial to the governing
29 authority within thirty days after receipt of the denial. The appeal
30 before the governing authority must be based upon the record made
31 before the administrative official or commission with the burden of
32 proof on the applicant to show that there was no substantial evidence
33 to support the administrative official or commission's decision. The
34 decision of the governing body in denying or approving the
35 application is final.

36 NEW SECTION. **Sec. 22.** The governing authority may establish an
37 application fee or other fees to not exceed an amount determined to
38 be required to cover the cost to be incurred by the governing
39 authority and the assessor in administering this chapter. The

1 application fee, if established, must be paid at the time the
2 application is submitted. If the application is approved, the
3 governing authority must pay the application fee to the county
4 assessor for deposit in the county current expense fund, after first
5 deducting that portion of the fee attributable to its own
6 administrative costs in processing the application. If the
7 application is denied, the governing authority may retain that
8 portion of the application fee attributable to its own administrative
9 costs and refund the balance to the applicant.

10 NEW SECTION. **Sec. 23.** The authorized representative of the
11 governing authority must notify the applicant that a certificate of
12 tax exemption will be denied or canceled if the authorized
13 representative determines that:

14 (1) The affordable housing requirements as described in section
15 14 of this act were not met;

16 (2) The property did not meet health and quality standards; or

17 (3) The owner's property is otherwise not qualified for limited
18 exemption under this chapter.

19 NEW SECTION. **Sec. 24.** (1) The owner of property receiving a tax
20 exemption under this chapter must obtain from each tenant living in
21 designated affordable housing units, no less than annually, a
22 certification of family size and annual income in a form acceptable
23 to the governing authority.

24 (2) The property owner must file a report at least annually by a
25 date established by the governing authority indicating the following:

26 (a) Family size and annual income for each tenant living in
27 designated affordable housing rental units and a statement that the
28 property is in compliance with affordable housing requirements
29 described in section 14 of this act;

30 (b) A statement of occupancy and vacancy;

31 (c) A schedule of rents charged in market-rate units;

32 (d) A certification that the property has not changed use;

33 (e) A description of changes or improvements;

34 (f) When rehabilitation is required to meet health and quality
35 standards or evergreen sustainable development building performance
36 standards, a progress report on compliance with the rehabilitation
37 plan, budget, and proposed schedule for repairs; and

1 (g) Any other information required to determine compliance with
2 program requirements or to measure program performance.

3 (3) A governing authority that issues certificates of tax
4 exemption for property that conform to the requirements of this
5 chapter must report annually by July 1st to the department of
6 commerce the following information:

7 (a) The number of tax exemption certificates granted;

8 (b) The number and type of units in building properties receiving
9 a tax exemption;

10 (c) The number and type of units meeting affordable housing
11 requirements;

12 (d) The total monthly rent amount for each affordable and market-
13 rate unit; and

14 (e) The value of the tax exemption for each project receiving a
15 tax exemption and the total value of tax exemptions granted.

16 NEW SECTION. **Sec. 25.** (1) After a certificate of exemption has
17 been filed with the county assessor, the tax exemption must be
18 canceled by the authorized representative of the governing authority
19 under the following circumstances:

20 (a) The owner intends to convert the property to another use that
21 is not residential or the owner intends to discontinue compliance
22 with affordable housing requirements;

23 (b) The owner fails to file annual reports;

24 (c) The owner fails to maintain the property in substantial
25 compliance with all applicable local building, safety, and health
26 code requirements;

27 (d) The owner fails to complete rehabilitation improvements as
28 outlined in the rehabilitation plan; or

29 (e) The owner fails to meet affordable housing requirements.

30 (2)(a) Notification of a canceled certificate of exemption must
31 be made by the governing authority or authorized representative of
32 the governing authority to the county assessor within thirty days of
33 the cancellation. Upon notice of a canceled tax exemption
34 certificate, additional real property tax must be imposed upon the
35 value of the improvements and land that no longer qualify for
36 exemption under this chapter in the amount that would have been
37 imposed had the property not been exempt under this act, plus a
38 penalty of twenty percent of the additional tax. This additional tax

1 is calculated from January 1st of the year the certificate of tax
2 exemption first became effective.

3 (b) Interest must be included upon the amounts of the additional
4 tax at the same rate charged on delinquent property taxes from the
5 dates on which the additional tax could have been paid without
6 penalty if the property had been assessed at a value without regard
7 to this chapter.

8 (c) The additional tax, penalty, and interest must be collected
9 by the county treasurer. The additional tax must be distributed by
10 the county treasurer in the same manner in which current property
11 taxes applicable to the subject property are distributed. The
12 additional taxes, penalty, and interest must be payable in full
13 thirty days following the date on which the treasurer's statement of
14 additional tax due is issued.

15 (d) The additional tax owed together with the interest and
16 penalty becomes a lien on the land and attaches at the time the
17 property or portion of the property is removed from use as affordable
18 housing or the amenities no longer meet applicable requirements, and
19 has priority to and must be fully paid and satisfied before a
20 recognizance, mortgage, judgment, debt, obligation, or responsibility
21 to or with which the land may become charged or liable. The lien may
22 be foreclosed upon the expiration of the same period after
23 delinquency and in the same manner provided by law for foreclosure of
24 liens for delinquent real property taxes. An additional tax unpaid on
25 its due date is delinquent.

26 (e) The county auditor may not accept an instrument of conveyance
27 unless the additional tax, interest, and penalty has been paid or the
28 governing authority or authorized representative has determined that
29 the property is not subject to the additional tax, interest, or
30 penalty.

31 (f) A certificate of exemption may be continued for the remainder
32 of the exemption period upon sale or transfer of all or a portion of
33 the exempt property to a new owner, if the new owner has signed a
34 notice of exemption continuance. The notice of exemption continuance
35 must be in a form approved by the governing authority or its
36 authorized representative. If the notice of continuance is not signed
37 by the new owner and attached to the real estate excise tax
38 affidavit, all additional tax, penalty, and interest calculated in
39 accordance with this section become due and payable by the owner,
40 including the seller or transferor, at time of sale.

1 (3) Upon a determination that a property tax exemption is to be
2 canceled for any reason stated in this section, the governing
3 authority or authorized representative of the governing authority
4 must notify the record owner of the property as shown by the tax
5 rolls by mail, return receipt requested, of the determination to
6 cancel the exemption. The owner may appeal the determination to the
7 governing authority or authorized representative within thirty days
8 by filing a notice of appeal with the clerk of the governing
9 authority, which must specify the factual and legal basis on which
10 the determination of cancellation is alleged to be erroneous. The
11 governing authority or a hearing examiner or other official
12 authorized by the governing authority may hear the appeal. At the
13 hearing, all affected parties may be heard and all competent evidence
14 received. After the hearing, the deciding body or officer must either
15 affirm, modify, or repeal the decision of cancellation of exemption
16 based on the evidence received. An aggrieved party may appeal the
17 decision of the deciding body or officer to the superior court under
18 RCW 34.05.510 through 34.05.598.

19 (4) Upon the expiration of the exemption period or upon
20 cancellation of the exemption, the value of new construction or
21 improvements to the property, not previously considered as new
22 construction during the exemption period, must be considered as new
23 construction for purposes of calculating levies under chapter 84.55
24 RCW.

25 NEW SECTION. **Sec. 26.** Tenant identifying information and income
26 data obtained by the governing authority and the assessor may be used
27 only to administer this affordable housing exemption. Notwithstanding
28 any provision of law to the contrary, absent written consent by the
29 person about whom the information or facts have been obtained, the
30 tenant identifying information and income data may not be disclosed
31 by the jurisdiction or assessor or their agents or employees to
32 anyone other than their agents or employees except in an
33 administrative or judicial proceeding pertaining to the taxpayer's
34 entitlement to the tax exemption.

35 NEW SECTION. **Sec. 27.** The exemption in this chapter applies to
36 taxes levied for collection in 2018 and thereafter.

1 NEW SECTION. **Sec. 28.** In 2005, the state created the goal of
2 reducing homelessness in Washington state by fifty percent within ten
3 years. The legislature also recognized that the provision of housing
4 and housing-related services to the homeless should be administered
5 at the local level to meet the diverse needs across the state. The
6 state's responsibility was to coordinate, support, finance, and
7 monitor efforts to address homelessness issues.

8 During the past decade, the state has experienced an overall
9 decline in homelessness with some counties meeting or exceeding its
10 reduction goal. However, some counties have not only failed to
11 achieve reductions, but have experienced an increase in the number of
12 homeless families and individuals. Additionally, the number of
13 unsheltered and chronic homeless has increased in areas of the state
14 despite significant federal, state, and local financial resources
15 that have been invested in homelessness assistance. The dichotomy
16 between the resources expended and the results achieved warrants a
17 more frequent review of state and local homelessness strategies and
18 more transparent reporting of expenditures, performance, and outcomes
19 at the local level. Therefore, the legislature intends to review
20 state and local homelessness prevention, assistance, and housing
21 efforts on a more frequent basis to improve the development of cost-
22 effective programs and identification of best practices to expand
23 housing security across the state.

24 **Sec. 29.** RCW 43.185C.030 and 2013 c 200 s 25 are each amended to
25 read as follows:

26 (1) The department shall annually conduct a Washington homeless
27 census or count consistent with the requirements of RCW 43.185C.180.
28 The census shall make every effort to count all homeless individuals
29 living outdoors, in shelters, and in transitional housing,
30 coordinated, when reasonably feasible, with already existing homeless
31 census projects including those funded in part by the United States
32 department of housing and urban development under the McKinney-Vento
33 homeless assistance program. The department shall determine, in
34 consultation with local governments, the data to be collected. Data
35 on subpopulations and other characteristics of the homeless must, at
36 a minimum, be consistent with United States department of housing and
37 urban development requirements and include the following:

38 (a) Chronically homeless individuals;

39 (b) Chronically homeless families;

- 1 (c) Unaccompanied homeless youth;
- 2 (d) Male veterans;
- 3 (e) Female veterans;
- 4 (f) Adults with severe mental illness;
- 5 (g) Adults with chronic substance abuse issues;
- 6 (h) Adults with HIV/AIDS;
- 7 (i) Senior citizens; and
- 8 (j) Victims of domestic violence.

9 (2) All personal information collected in the census is
10 confidential, and the department and each local government shall take
11 all necessary steps to protect the identity and confidentiality of
12 each person counted.

13 (3) The department and each local government are prohibited from
14 disclosing any personally identifying information about any homeless
15 individual when there is reason to believe or evidence indicating
16 that the homeless individual is an adult or minor victim of domestic
17 violence, dating violence, sexual assault, or stalking or is the
18 parent or guardian of a child victim of domestic violence, dating
19 violence, sexual assault, or stalking; or revealing other
20 confidential information regarding HIV/AIDS status, as found in RCW
21 70.02.220. The department and each local government shall not ask any
22 homeless housing provider to disclose personally identifying
23 information about any homeless individuals when the providers
24 implementing those programs have reason to believe or evidence
25 indicating that those clients are adult or minor victims of domestic
26 violence, dating violence, sexual assault, or stalking or are the
27 parents or guardians of child victims of domestic violence, dating
28 violence, sexual assault, or stalking. Summary data for the
29 provider's facility or program may be substituted.

30 (4) The Washington homeless census shall be conducted annually on
31 a schedule created by the department. The department shall make
32 summary data by county available to the public each year. This data,
33 and its analysis, shall be included in the department's annual
34 updated homeless housing program strategic plan.

35 (5) Based on the annual census and provider information from the
36 local government plans, the department shall, by the end of year
37 four, implement an online information and referral system to enable
38 local governments and providers to identify available housing for a
39 homeless person. The department shall work with local governments and

1 their providers to develop a capacity for continuous case management
2 to assist homeless persons.

3 (6) By the end of year four, the department shall implement an
4 organizational quality management system.

5 (7) Subject to the availability of amounts appropriated for this
6 specific purpose, the department, in collaboration with the
7 Washington state institute for public policy, must conduct a
8 statewide homeless study every ten years to better understand the
9 causes and characteristics of the homeless in Washington state and
10 help decision makers promote efforts toward housing stability. The
11 purpose of the study is to: Supplement the current point-in-time
12 census and homeless client management information system by
13 conducting face-to-face interviews with people who are homeless or
14 have recently received homelessness assistance to gather an in-depth
15 assessment of why the individual is among the chronically homeless,
16 unaccompanied homeless youth, and unsheltered populations; review the
17 efficacy of current programs and services; and provide
18 recommendations on the type and timing of health and human service
19 interventions needed for these populations to gain housing stability.
20 The department and the Washington state institute for public policy
21 must develop a study proposal defining the study scope, methodology,
22 and costs for the legislature to review by January 1, 2019.

23 **Sec. 30.** RCW 43.185C.040 and 2015 c 69 s 25 are each amended to
24 read as follows:

25 (1) ~~((Six months after the first Washington homeless census,))~~
26 The department shall, in consultation with the interagency council on
27 homelessness and the affordable housing advisory board, prepare and
28 publish a ~~((ten-year))~~ five-year homeless housing strategic plan
29 which ~~((shall))~~ must outline statewide goals and performance measures
30 and ~~((shall))~~ must be coordinated with the plan for homeless families
31 with children required under RCW 43.63A.650. The state homeless
32 housing strategic plan must be submitted to the legislature by July
33 1, 2018, and every five years thereafter. The plan must include at
34 least the following information:

35 (a) Performance measures and goals to reduce homelessness,
36 including long-term and short-term goals;

37 (b) An analysis of the services and programs being offered at the
38 state and county level and an identification of those representing
39 best practices and outcomes;

1 (c) Recognition of services and programs targeted to certain
2 homeless populations or geographic areas in recognition of the
3 diverse needs across the state;

4 (d) New or innovative funding, program, or service strategies to
5 pursue;

6 (e) An analysis of current drivers of homelessness and/or
7 improvements to housing security such as increases and reductions to
8 employment opportunities, housing scarcity and affordability, health
9 and behavior health services, chemical dependency treatment, and
10 incarceration rates; and

11 (f) An implementation strategy outlining the roles and
12 responsibilities at the state and local level and timelines to
13 achieve a reduction in homelessness at the statewide level during
14 periods of the five-year homeless housing strategic plan.

15 (2) The department must coordinate its efforts on the state
16 homeless housing strategic plan with the office of homeless youth
17 prevention and protection programs advisory committee under RCW
18 43.330.705. The state homeless housing strategic plan must not
19 conflict with the strategies, planning, data collection, and
20 performance and outcome measures developed under RCW 43.330.705 and
21 43.330.706 to reduce the state's homeless youth population.

22 (3) To guide local governments in preparation of ((their first))
23 local homeless housing plans due December ((31, 2005)) 1, 2018, and
24 updated every five years thereafter, the department shall issue by
25 ((October 15, 2005)) December 1, 2017, ((temporary)) guidelines
26 consistent with this chapter and including the best available data on
27 each community's homeless population. ((Local governments' ten-year
28 homeless housing plans shall not be substantially inconsistent with
29 the goals and program recommendations of the temporary guidelines
30 and, when amended after 2005, the state strategic plan.

31 (2)) Program outcomes ((and)) performance measures, and goals
32 ((shall)) must be created by the department ((and reflected in the
33 department's homeless housing strategic plan as well as interim
34 goals)) in collaboration with local governments against which ((state
35 and)) local governments' performance ((may)) will be measured((,
36 including:

37 (a) By the end of year one, completion of the first census as
38 described in RCW 43.185C.030;

1 ~~(b) By the end of each subsequent year, goals common to all local~~
2 ~~programs which are measurable and the achievement of which would move~~
3 ~~that community toward housing its homeless population; and~~

4 ~~(c) By July 1, 2015, reduction of the homeless population~~
5 ~~statewide and in each county by fifty percent)).~~

6 ~~((3))~~ (4) The department shall develop a consistent statewide
7 data gathering instrument to monitor the performance of cities and
8 counties receiving grants in order to determine compliance with the
9 terms and conditions set forth in the grant application or required
10 by the department.

11 ~~((The department shall, in consultation with the interagency~~
12 ~~council on homelessness and the affordable housing advisory board,~~
13 ~~report biennially to the governor and the appropriate committees of~~
14 ~~the legislature an assessment of the state's performance in~~
15 ~~furthering the goals of the state ten-year homeless housing strategic~~
16 ~~plan and the performance of each participating local government in~~
17 ~~creating and executing a local homeless housing plan which meets the~~
18 ~~requirements of this chapter. The annual report may include~~
19 ~~performance measures such as:~~

20 ~~(a) The reduction in the number of homeless individuals and~~
21 ~~families from the initial count of homeless persons;~~

22 ~~(b) The reduction in the number of unaccompanied homeless youth.~~
23 ~~"Unaccompanied homeless youth" has the same meaning as in RCW~~
24 ~~43.330.702;~~

25 ~~(c) The number of new units available and affordable for homeless~~
26 ~~families by housing type;~~

27 ~~(d) The number of homeless individuals identified who are not~~
28 ~~offered suitable housing within thirty days of their request or~~
29 ~~identification as homeless;~~

30 ~~(e) The number of households at risk of losing housing who~~
31 ~~maintain it due to a preventive intervention;~~

32 ~~(f) The transition time from homelessness to permanent housing;~~

33 ~~(g) The cost per person housed at each level of the housing~~
34 ~~continuum;~~

35 ~~(h) The ability to successfully collect data and report~~
36 ~~performance;~~

37 ~~(i) The extent of collaboration and coordination among public~~
38 ~~bodies, as well as community stakeholders, and the level of community~~
39 ~~support and participation;~~

40 ~~(j) The quality and safety of housing provided; and~~

1 ~~(k) The effectiveness of outreach to homeless persons, and their~~
2 ~~satisfaction with the program.~~

3 ~~(4))~~ (5) Based on the performance of local homeless housing
4 programs in meeting their ~~((interim))~~ goals, on general population
5 changes and on changes in the homeless population recorded in the
6 annual census, the department may ~~((revise the performance measures~~
7 ~~and goals of the state homeless housing strategic plan, set goals for~~
8 ~~years following the initial ten-year period, and recommend))~~ require
9 changes in local governments' plans to be eligible for state funding
10 appropriated to the department for homeless programs.

11 **Sec. 31.** RCW 43.185C.160 and 2005 c 485 s 1 are each amended to
12 read as follows:

13 (1) Each county shall create a homeless housing task force to
14 develop a ~~((ten-year))~~ five-year homeless housing plan addressing
15 short-term and long-term housing for homeless persons. The plan is
16 due to the department on December 1, 2018, and must be updated every
17 five years thereafter. The plan must include a local homelessness
18 reduction goal for the county and an implementation plan to achieve
19 the goal over the five-year plan period. The plan must also have a
20 specific and more aggressive goal and implementation plan to reduce
21 youth homelessness in the county that is consistent with state
22 reduction strategies developed by the office of homeless youth
23 prevention and protection programs.

24 Membership on the task force may include representatives of the
25 counties, cities, towns, housing authorities, civic and faith
26 organizations, schools, community networks, human services providers,
27 law enforcement personnel, criminal justice personnel, including
28 prosecutors, probation officers, and jail administrators, substance
29 abuse treatment providers, mental health care providers, emergency
30 health care providers, businesses, at large representatives of the
31 community, and a homeless or formerly homeless individual.

32 In lieu of creating a new task force, a local government may
33 designate an existing governmental or nonprofit body which
34 substantially conforms to this section and which includes at least
35 one homeless or formerly homeless individual to serve as its homeless
36 representative. As an alternative to a separate plan, two or more
37 local governments may work in concert to develop and execute a joint
38 homeless housing plan, or to contract with another entity to do so
39 according to the requirements of this chapter. While a local

1 government has the authority to subcontract with other entities, the
2 local government continues to maintain the ultimate responsibility
3 for the homeless housing program within its borders.

4 A county may decline to participate in the program authorized in
5 this chapter by forwarding to the department a resolution adopted by
6 the county legislative authority stating the intention not to
7 participate. A copy of the resolution shall also be transmitted to
8 the county auditor and treasurer. If a county declines to
9 participate, the department shall create and execute a local homeless
10 housing plan for the county meeting the requirements of this chapter.

11 (2) In addition to developing a (~~ten-year~~) five-year homeless
12 housing plan, each task force shall establish guidelines consistent
13 with the statewide homeless housing strategic plan, as needed, for
14 the following:

- 15 (a) Emergency shelters;
- 16 (b) Short-term housing needs;
- 17 (c) Temporary encampments;
- 18 (d) Supportive housing for chronically homeless persons; and
- 19 (e) Long-term housing.

20 Guidelines must include, when appropriate, standards for health
21 and safety and notifying the public of proposed facilities to house
22 the homeless.

23 (3) Each county, including counties exempted from creating a new
24 task force under subsection (1) of this section, shall report to the
25 department (~~of community, trade, and economic development~~) such
26 information as may be needed to ensure compliance with this chapter,
27 including the annual report required in section 32 of this act.

28 NEW SECTION. **Sec. 32.** A new section is added to chapter 43.185C
29 RCW to read as follows:

30 (1) By February 1st of each year, the department must provide an
31 update on the state's homeless housing strategic plan and its
32 activities for the prior fiscal year. The report must include, but
33 not be limited to, the following information:

34 (a) An assessment of the current condition of homelessness in
35 Washington state and the state's performance in meeting the goals in
36 the state homeless housing strategic plan;

37 (b) A report on the results of the annual homeless point-in-time
38 census conducted statewide under RCW 43.185C.030;

1 (c) The amount of federal, state, local, and private funds spent
2 on homelessness assistance, categorized by funding source and the
3 following major assistance types:

4 (i) Emergency shelter;

5 (ii) Homelessness prevention and rapid rehousing;

6 (iii) Permanent housing;

7 (iv) Permanent supportive housing;

8 (v) Transitional housing;

9 (vi) Services only; and

10 (vii) Any other activity in which more than five hundred thousand
11 dollars of category funds were expended;

12 (d) A report on the expenditures, performance, and outcomes of
13 state funds distributed through the consolidated homeless grant
14 program, including the grant recipient, award amount expended, use of
15 the funds, counties served, and households served;

16 (e) A report on state and local homelessness document recording
17 fee expenditure by county, including the total amount of fee
18 spending, percentage of total spending from fees, number of people
19 served by major assistance type, and amount of expenditures for
20 private rental payments required in RCW 36.22.179;

21 (f) A report on the expenditures, performance, and outcomes of
22 the essential needs and housing support program meeting the
23 requirements of RCW 43.185C.220; and

24 (g) A report on the expenditures, performance, and outcomes of
25 the independent youth housing program meeting the requirements of RCW
26 43.63A.311.

27 (2) The report required in subsection (1) of this section must be
28 posted to the department's web site and may include links to updated
29 or revised information contained in the report.

30 (3) By February 1st of each year, any local government receiving
31 state funds for homelessness assistance or state or local
32 homelessness document recording fees under RCW 36.22.178, 36.22.179,
33 or 36.22.1791 must provide an annual report on the current condition
34 of homelessness in its jurisdiction, its performance in meeting the
35 goals in its local homeless housing plan, and any significant changes
36 made to the plan. The annual report must be posted on the
37 department's web site. Along with each local government annual
38 report, the department must produce and post information on the local
39 government's homelessness spending from all sources by project during
40 the prior state fiscal year in a format similar to the department's

1 report under subsection (1)(c) of this section. If a local government
2 fails to report or provides an inadequate or incomplete report, the
3 department must take corrective action, which may include withholding
4 state funding for homelessness assistance to the local government to
5 enable the department to use such funds to contract with other public
6 or nonprofit entities to provide homelessness assistance within the
7 jurisdiction.

8 **Sec. 33.** RCW 36.22.178 and 2011 c 110 s 1 are each amended to
9 read as follows:

10 The surcharge provided for in this section shall be named the
11 affordable housing for all surcharge.

12 (1) Except as provided in subsection (3) of this section, a
13 surcharge of ten dollars per instrument shall be charged by the
14 county auditor for each document recorded, which will be in addition
15 to any other charge authorized by law. (~~The county may retain up to
16 five percent of these funds collected solely for the collection,
17 administration, and local distribution of these funds. Of the
18 remaining funds,~~) Forty percent of the revenue generated through
19 this surcharge will be transmitted monthly to the state treasurer who
20 will deposit the funds into the affordable housing for all account
21 created in RCW 43.185C.190. The department of commerce must use these
22 funds to provide housing and shelter for extremely low-income
23 households, including but not limited to housing for victims of human
24 trafficking and their families and grants for building operation and
25 maintenance costs of housing projects or units within housing
26 projects that are affordable to extremely low-income households with
27 incomes at or below thirty percent of the area median income, and
28 that require a supplement to rent income to cover ongoing operating
29 expenses.

30 (2) All of the remaining funds generated by this surcharge will
31 be retained by the county and be deposited into a fund that must be
32 used by the county and its cities and towns for eligible housing
33 activities as described in this subsection that serve very low-income
34 households with incomes at or below fifty percent of the area median
35 income. Up to six percent of the funds may be used by the county for
36 the collection and local distribution of these funds and
37 administrative costs related to its homeless housing plan. The
38 portion of the surcharge retained by a county shall be allocated to
39 eligible housing activities that serve extremely low and very low-

1 income households in the county and the cities within a county
2 according to an interlocal agreement between the county and the
3 cities within the county consistent with countywide and local housing
4 needs and policies. A priority must be given to eligible housing
5 activities that serve extremely low-income households with incomes at
6 or below thirty percent of the area median income. Eligible housing
7 activities to be funded by these county funds are limited to:

8 (a) Acquisition, construction, or rehabilitation of housing
9 projects or units within housing projects that are affordable to very
10 low-income households with incomes at or below fifty percent of the
11 area median income, including units for homeownership, rental units,
12 seasonal and permanent farmworker housing units, units reserved for
13 victims of human trafficking and their families, and single room
14 occupancy units;

15 (b) Supporting building operation and maintenance costs of
16 housing projects or units within housing projects eligible to receive
17 housing trust funds, that are affordable to very low-income
18 households with incomes at or below fifty percent of the area median
19 income, and that require a supplement to rent income to cover ongoing
20 operating expenses;

21 (c) Rental assistance vouchers for housing units that are
22 affordable to very low-income households with incomes at or below
23 fifty percent of the area median income, including rental housing
24 vouchers for victims of human trafficking and their families, to be
25 administered by a local public housing authority or other local
26 organization that has an existing rental assistance voucher program,
27 consistent with or similar to the United States department of housing
28 and urban development's section 8 rental assistance voucher program
29 standards; and

30 (d) Operating costs for emergency shelters and licensed overnight
31 youth shelters.

32 (3) The surcharge imposed in this section does not apply to
33 assignments or substitutions of previously recorded deeds of trust.

34 **Sec. 34.** RCW 36.22.1791 and 2011 c 110 s 3 are each amended to
35 read as follows:

36 (1) In addition to the surcharges authorized in RCW 36.22.178 and
37 36.22.179, and except as provided in subsection (2) of this section,
38 the county auditor shall charge an additional surcharge of eight
39 dollars for each document recorded, which is in addition to any other

1 charge allowed by law. The funds collected under this section are to
2 be distributed and used as follows:

3 (a) The auditor shall remit ninety percent to the county to be
4 deposited into a fund six percent of which may be used by the county
5 for the collection and local distribution of these funds and
6 administrative costs related to its homeless housing plan, and the
7 remainder for programs that directly accomplish the goals of the
8 county's local homeless housing plan, except that for each city in
9 the county that elects, as authorized in RCW 43.185C.080, to operate
10 its own local homeless housing program, a percentage of the surcharge
11 assessed under this section equal to the percentage of the city's
12 local portion of the real estate excise tax collected by the county
13 must be transmitted at least quarterly to the city treasurer for use
14 by the city for program costs that directly contribute to the goals
15 of the city's local homeless housing plan.

16 (b) The auditor shall remit the remaining funds to the state
17 treasurer for deposit in the home security fund account. The
18 department may use the funds for administering the program
19 established in RCW 43.185C.020, including the costs of creating and
20 updating the statewide homeless housing strategic plan, measuring
21 performance, providing technical assistance to local governments, and
22 managing the homeless housing grant program. Remaining funds may also
23 be used to:

- 24 (i) Provide housing and shelter for homeless people including,
25 but not limited to: Grants to operate, repair, and staff shelters;
26 grants to operate transitional housing; partial payments for rental
27 assistance; consolidated emergency assistance; overnight youth
28 shelters; grants and vouchers designated for victims of human
29 trafficking and their families; and emergency shelter assistance; and
30 (ii) Fund the homeless housing grant program.

31 (2) The surcharge imposed in this section does not apply to
32 assignments or substitutions of previously recorded deeds of trust.

33 **Sec. 35.** RCW 43.185C.240 and 2015 c 69 s 26 are each amended to
34 read as follows:

35 (1) As a means of efficiently and cost-effectively providing
36 housing assistance to very-low income and homeless households:

37 (a) Any local government that has the authority to issue housing
38 vouchers, directly or through a contractor, using document recording

1 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or
2 36.22.1791 must:

3 (i)(A) Maintain an interested landlord list, which at a minimum,
4 includes information on rental properties in buildings with fewer
5 than fifty units;

6 (B) Update the list at least once per quarter;

7 (C) Distribute the list to agencies providing services to
8 individuals and households receiving housing vouchers;

9 (D) Ensure that a copy of the list or information for accessing
10 the list online is provided with voucher paperwork; and

11 (E) Communicate and interact with landlord and tenant
12 associations located within its jurisdiction to facilitate
13 development, maintenance, and distribution of the list to private
14 rental housing landlords. The department must make reasonable efforts
15 to ensure that local providers conduct outreach to private rental
16 housing landlords each calendar quarter regarding opportunities to
17 provide rental housing to the homeless and the availability of funds;

18 (ii) Using cost-effective methods of communication, convene, on a
19 semiannual or more frequent basis, landlords represented on the
20 interested landlord list and agencies providing services to
21 individuals and households receiving housing vouchers to identify
22 successes, barriers, and process improvements. The local government
23 is not required to reimburse any participants for expenses related to
24 attendance;

25 (iii) Produce data, limited to document recording fee uses and
26 expenditures, on a (~~calendar~~) fiscal year basis in consultation
27 with landlords represented on the interested landlord list and
28 agencies providing services to individuals and households receiving
29 housing vouchers, that include the following: Total amount expended
30 from document recording fees; amount expended on, number of
31 households that received, and number of housing vouchers issued in
32 each of the private, public, and nonprofit markets; amount expended
33 on, number of households that received, and number of housing
34 placement payments provided in each of the private, public, and
35 nonprofit markets; amount expended on and number of eviction
36 prevention services provided in the private market; amount expended
37 on and number of other tenant-based rent assistance services provided
38 in the private market; and amount expended on and number of services
39 provided to unaccompanied homeless youth. If these data elements are
40 not readily available, the reporting government may request the

1 department to use the sampling methodology established pursuant to
2 (c)(iii) of this subsection to obtain the data; and

3 (iv) Annually submit the (~~calendar~~) fiscal year data to the
4 department (~~by October 1st, with preliminary data submitted by~~
5 ~~October 1, 2012, and full calendar year data submitted beginning~~
6 ~~October 1, 2013~~)).

7 (b) Any local government receiving more than three million five
8 hundred thousand dollars during the previous (~~calendar~~) fiscal year
9 from document recording surcharge funds collected pursuant to RCW
10 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington
11 state quality award program, or similar Baldrige assessment
12 organization, for an independent assessment of its quality
13 management, accountability, and performance system. The first
14 assessment may be a lite assessment. After submitting an application,
15 a local government is required to reapply at least every two years.

16 (c) The department must:

17 (i) Require contractors that provide housing vouchers to
18 distribute the interested landlord list created by the appropriate
19 local government to individuals and households receiving the housing
20 vouchers;

21 (ii) Convene a stakeholder group by March 1, 2017, consisting of
22 landlords, homeless housing advocates, real estate industry
23 representatives, cities, counties, and the department to meet to
24 discuss long-term funding strategies for homeless housing programs
25 that do not include a surcharge on document recording fees. The
26 stakeholder group must provide a report of its findings to the
27 legislature by December 1, 2017;

28 (iii) Develop a sampling methodology to obtain data required
29 under this section when a local government or contractor does not
30 have such information readily available. The process for developing
31 the sampling methodology must include providing notification to and
32 the opportunity for public comment by local governments issuing
33 housing vouchers, landlord association representatives, and agencies
34 providing services to individuals and households receiving housing
35 vouchers;

36 (iv) Develop a report, limited to document recording fee uses and
37 expenditures, on a (~~calendar~~) fiscal year basis that may include
38 consultation with local governments, landlord association
39 representatives, and agencies providing services to individuals and
40 households receiving housing vouchers, that includes the following:

1 Total amount expended from document recording fees; amount expended
2 on, number of households that received, and number of housing
3 vouchers issued in each of the private, public, and nonprofit
4 markets; amount expended on, number of households that received, and
5 number of housing placement payments provided in each of the private,
6 public, and nonprofit markets; amount expended on and number of
7 eviction prevention services provided in the private market; the
8 total amount of funds set aside for private rental housing payments
9 as required in RCW 36.22.179(1)(b); and amount expended on and number
10 of other tenant-based rent assistance services provided in the
11 private market. The information in the report must include data
12 submitted by local governments and data on all additional document
13 recording fee activities for which the department contracted that
14 were not otherwise reported. The data, samples, and sampling
15 methodology used to develop the report must be made available upon
16 request and for the audits required in this section;

17 (v) Annually submit the (~~calendar~~) fiscal year report to the
18 legislature by (~~December 15th, with a preliminary report submitted~~
19 ~~by December 15, 2012, and full calendar year reports submitted~~
20 ~~beginning December 15, 2013~~) February 1st of each year; and

21 (vi) Work with the Washington state quality award program, local
22 governments, and any other organizations to ensure the appropriate
23 scheduling of assessments for all local governments meeting the
24 criteria described in (~~subsection (1)~~)(b) of this (~~section~~)
25 subsection.

26 (d) The office of financial management must secure an independent
27 audit of the department's data and expenditures of state funds
28 received under RCW 36.22.179(1)(b) on an annual basis. The
29 independent audit must review a random sample of local governments,
30 contractors, and housing providers that is geographically and
31 demographically diverse. The independent auditor must meet with the
32 department and a landlord representative to review the preliminary
33 audit and provide the department and the landlord representative with
34 the opportunity to include written comments regarding the findings
35 that must be included with the audit. The first audit of the
36 department's data and expenditures will be for calendar year 2014 and
37 is due July 1, 2015. Each audit thereafter will be due July 1st
38 following the department's submission of the report to the
39 legislature. If the independent audit finds that the department has
40 failed to set aside at least forty-five percent of the funds received

1 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental
2 housing payments, the independent auditor must notify the department
3 and the office of financial management of its finding. In addition,
4 the independent auditor must make recommendations to the office of
5 financial management and the legislature on alternative means of
6 distributing the funds to meet the requirements of RCW
7 36.22.179(1)(b).

8 (e) The office of financial management must contract with an
9 independent auditor to conduct a performance audit of the programs
10 funded by document recording surcharge funds collected pursuant to
11 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide
12 findings to determine if the funds are being used effectively,
13 efficiently, and for their intended purpose. The audit must review
14 the department's performance in meeting all statutory requirements
15 related to document recording surcharge funds including, but not
16 limited to, the data the department collects, the timeliness and
17 quality of required reports, and whether the data and required
18 reports provide adequate information and accountability for the use
19 of the document recording surcharge funds. The audit must include
20 recommendations for policy and operational improvements to the use of
21 document recording surcharges by counties and the department. The
22 performance audit must be submitted to the legislature by December 1,
23 2016.

24 (2) For purposes of this section:

25 (a) "Housing placement payments" means one-time payments, such as
26 first and last month's rent and move-in costs, funded by document
27 recording surcharges collected pursuant to RCW 36.22.178, 36.22.179,
28 or 36.22.1791 that are made to secure a unit on behalf of a tenant.

29 (b) "Housing vouchers" means payments, including private rental
30 housing payments, funded by document recording surcharges collected
31 pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made by
32 a local government or contractor to secure: (i) A rental unit on
33 behalf of an individual tenant; or (ii) a block of units on behalf of
34 multiple tenants.

35 (c) "Interested landlord list" means a list of landlords who have
36 indicated to a local government or contractor interest in renting to
37 individuals or households receiving a housing voucher funded by
38 document recording surcharges.

1 (d) "Private rental housing" means housing owned by a private
2 landlord and does not include housing owned by a nonprofit housing
3 entity or government entity.

4 (3) This section expires June 30, 2019.

5 **Sec. 36.** RCW 43.21C.440 and 2012 1st sp.s. c 1 s 303 are each
6 amended to read as follows:

7 (1) For purposes of this chapter, a planned action means one or
8 more types of development or redevelopment that meet the following
9 criteria:

10 (a) Are designated as planned actions by an ordinance or
11 resolution adopted by a county, city, or town planning under RCW
12 36.70A.040;

13 (b) In conjunction with, or to implement, a comprehensive plan or
14 subarea plan adopted under chapter 36.70A RCW, or a fully contained
15 community, a master planned resort, a master planned development, or
16 a phased project, have had the significant impacts adequately
17 addressed ((in)):

18 (i) In an environmental impact statement under the requirements
19 of this chapter ((in conjunction with, or to implement, a
20 comprehensive plan or subarea plan adopted under chapter 36.70A RCW,
21 or a fully contained community, a master planned resort, a master
22 planned development, or a phased project)); or

23 (ii) For planned actions in areas that contain or will contain a
24 major transit stop as defined in RCW 43.21C.420(3), in a threshold
25 determination or, where one is appropriate, in an environmental
26 impact statement under the requirements of this chapter;

27 (c) Have had project level significant impacts adequately
28 addressed in a threshold determination or, where one is required
29 under (b) of this subsection (1) or where otherwise appropriate, an
30 environmental impact statement, unless the impacts are specifically
31 deferred for consideration at the project level pursuant to
32 subsection (3)(b) of this section;

33 (d) Are subsequent or implementing projects for the proposals
34 listed in (b) of this subsection;

35 (e) Are located within an urban growth area designated pursuant
36 to RCW 36.70A.110;

37 (f) Are not essential public facilities, as defined in RCW
38 36.70A.200, unless an essential public facility is accessory to or
39 part of a residential, office, school, commercial, recreational,

1 service, or industrial development that is designated a planned
2 action under this subsection; and

3 (g) Are consistent with a comprehensive plan or subarea plan
4 adopted under chapter 36.70A RCW.

5 (2) A county, city, or town shall define the types of development
6 included in the planned action and may limit a planned action to:

7 (a) A specific geographic area that is less extensive than the
8 jurisdictional boundaries of the county, city, or town; or

9 (b) A time period identified in the ordinance or resolution
10 adopted under this subsection.

11 (3)(a) A county, city, or town shall determine during permit
12 review whether a proposed project is consistent with a planned action
13 ordinance adopted by the jurisdiction. To determine project
14 consistency with a planned action ordinance, a county, city, or town
15 may utilize a modified checklist pursuant to the rules adopted to
16 implement RCW 43.21C.110, a form that is designated within the
17 planned action ordinance, or a form contained in agency rules adopted
18 pursuant to RCW 43.21C.120.

19 (b) A county, city, or town is not required to make a threshold
20 determination and may not require additional environmental review,
21 for a proposal that is determined to be consistent with the
22 development or redevelopment described in the planned action
23 ordinance, except for impacts that are specifically deferred to the
24 project level at the time of the planned action ordinance's adoption.
25 At least one community meeting must be held before the notice is
26 issued for the planned action ordinance. Notice for the planned
27 action and notice of the community meeting required by this
28 subsection (3)(b) must be mailed or otherwise verifiably provided to:

29 (i) All affected federally recognized tribal governments; and (ii)
30 agencies with jurisdiction over the future development anticipated
31 for the planned action. The determination of consistency, and the
32 adequacy of any environmental review that was specifically deferred,
33 are subject to the type of administrative appeal that the county,
34 city, or town provides for the proposal itself consistent with RCW
35 36.70B.060.

36 (4) For a planned action ordinance that encompasses the entire
37 jurisdictional boundary of a county, city, or town, at least one
38 community meeting must be held before the notice is issued for the
39 planned action ordinance. Notice for the planned action ordinance and

1 notice of the community meeting required by this subsection must be
2 mailed or otherwise verifiably provided to:

3 (a) All property owners of record within the county, city, or
4 town;

5 (b) All affected federally recognized tribal governments; and

6 (c) All agencies with jurisdiction over the future development
7 anticipated for the planned action.

8 **Sec. 37.** RCW 43.21C.229 and 2012 1st sp.s. c 1 s 304 are each
9 amended to read as follows:

10 (1) In order to accommodate infill development and thereby
11 realize the goals and policies of comprehensive plans adopted
12 according to chapter 36.70A RCW, a city or county planning under RCW
13 36.70A.040 is authorized by this section to establish categorical
14 exemptions from the requirements of this chapter. An exemption
15 adopted under this section applies even if it differs from the
16 categorical exemptions adopted by rule of the department under RCW
17 43.21C.110(1)(a). An exemption may be adopted by a city or county
18 under this section if it meets the following criteria:

19 (a) It categorically exempts government action related to
20 development proposed to fill in an urban growth area, designated
21 according to RCW 36.70A.110, where current density and intensity of
22 use in the area is lower than called for in the goals and policies of
23 the applicable comprehensive plan and the development is either:

24 (i) Residential development;

25 (ii) Mixed-use development; or

26 (iii) Commercial development up to sixty-five thousand square
27 feet, excluding retail development;

28 (b) It does not exempt government action related to development
29 that is inconsistent with the applicable comprehensive plan or would
30 exceed the density or intensity of use called for in the goals and
31 policies of the applicable comprehensive plan;

32 (c) The local government considers the specific probable adverse
33 environmental impacts of the proposed action and determines that
34 these specific impacts are adequately addressed by the development
35 regulations or other applicable requirements of the comprehensive
36 plan, subarea plan element of the comprehensive plan, planned action
37 ordinance, or other local, state, or federal rules or laws; and

38 (d)(i) The city or county's applicable comprehensive plan was
39 previously subjected to environmental analysis (~~through an~~

1 ~~environmental impact statement~~) under the requirements of this
2 chapter prior to adoption; or

3 (ii) The city or county has (~~prepared an environmental impact~~
4 ~~statement that considers~~), in the course of environmental analysis
5 under the requirements of this chapter, considered the proposed use
6 or density and intensity of use in the area proposed for an exemption
7 under this section.

8 (2) Any categorical exemption adopted by a city or county under
9 this section shall be subject to the rules of the department adopted
10 according to RCW 43.21C.110(1)(a) that provide exceptions to the use
11 of categorical exemptions adopted by the department.

12 (3) For purposes of subsection 1(d) of this section, an
13 environmental impact statement is the required form of environmental
14 analysis under the requirements of this chapter unless the infill
15 development area contains or will contain a major transit stop as
16 defined in RCW 43.21C.420(3).

17 NEW SECTION. Sec. 38. Sections 10 through 27 of this act
18 constitute a new chapter in Title 84 RCW.

--- END ---