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SECOND SUBSTITUTE SENATE BILL 5254

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State of Washington                      65th Legislature                      2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Fain, Palumbo, Zeiger, Angel, Hobbs, and Mullet)

READ FIRST TIME 03/22/17.

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, 36.22.179,  
5 82.46.037, 43.185C.030, 43.185C.040, 43.185C.160, 36.22.178,  
6 36.22.1791, 43.185C.240, 43.21C.440, 43.21C.229, and 82.14.530;  
7 adding a new section to chapter 36.70A RCW; adding a new section to  
8 chapter 43.185C RCW; adding a new chapter to Title 84 RCW; and  
9 creating new sections.

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

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

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

1 with the twenty-year population forecast from the office of financial  
2 management.

3 (2) This analysis shall include the reasonable measures findings  
4 developed under RCW 36.70A.215, if applicable to such counties and  
5 cities.

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

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

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

23 (b) Identify reasonable measures, other than adjusting urban  
24 growth areas, that will be taken to comply with the requirements of  
25 this chapter. Reasonable measures are those actions necessary to  
26 reduce the differences between growth and development assumptions and  
27 targets contained in the countywide planning policies and the county  
28 and city comprehensive plans with actual development patterns. The  
29 reasonable measures process in subsection (3) of this section shall  
30 be used as part of the next comprehensive plan update to reconcile  
31 inconsistencies.

32 (2) The review and evaluation program shall:

33 (a) Encompass land uses and activities both within and outside of  
34 urban growth areas and provide for annual collection of data on urban  
35 and rural land uses, development, zoning and development standards,  
36 environmental regulations including but not limited to critical  
37 areas, stormwater, shoreline, and tree retention requirements; and  
38 capital facilities (~~to the extent necessary~~) to determine the

1 quantity and type of land suitable for development, both for  
2 residential and employment-based activities;

3 (b) Provide for evaluation of the data collected under (a) of  
4 this subsection as provided in subsection (3) of this section. The  
5 evaluation shall be completed no later than ~~((one))~~ three years prior  
6 to the deadline for review and, if necessary, update of comprehensive  
7 plans and development regulations as required by RCW 36.70A.130. For  
8 comprehensive plans required to be updated before 2024, the  
9 evaluation as provided in subsection (3) of this section shall be  
10 completed no more than two years prior to the deadline for review  
11 and, if necessary, update of comprehensive plans. The county and its  
12 cities may establish in the countywide planning policies indicators,  
13 benchmarks, and other similar criteria to use in conducting the  
14 evaluation;

15 (c) Provide for methods to resolve disputes among jurisdictions  
16 relating to the countywide planning policies required by this section  
17 and procedures to resolve inconsistencies in collection and analysis  
18 of data; and

19 ~~((Provide for the amendment of the countywide policies and~~  
20 ~~county and city comprehensive plans as needed to remedy an~~  
21 ~~inconsistency identified through the evaluation required by this~~  
22 ~~section, or to bring these policies into compliance with the~~  
23 ~~requirements of this chapter.)) Develop reasonable measures to use in  
24 reducing the differences between growth and development assumptions  
25 and targets contained in the countywide planning policies and county  
26 and city comprehensive plans, with the actual development patterns.  
27 The reasonable measures shall be adopted, if necessary, into the  
28 countywide planning policies and the county or city comprehensive  
29 plans and development regulations during the next scheduled update of  
30 the plans.~~

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

33 (a) Determine whether there is sufficient suitable land to  
34 accommodate the countywide population projection established for the  
35 county pursuant to RCW 43.62.035 and the subsequent population  
36 allocations within the county and between the county and its cities  
37 and the requirements of RCW 36.70A.110(~~(+~~

38 ~~(b))~~). The zoned capacity of land alone is not a sufficient  
39 standard to deem land suitable for development or redevelopment  
40 within the twenty-year planning period;

1 (b) An evaluation and identification of land suitable for  
2 development or redevelopment shall include:

3 (i) A review and evaluation of the land use designation and  
4 zoning/development regulations; environmental regulations (such as  
5 tree retention, stormwater, or critical area regulations) impacting  
6 development; and other regulations that could prevent assigned  
7 densities from being achieved; infrastructure gaps (including but not  
8 limited to transportation, water, sewer, and stormwater); and

9 (ii) Use of a reasonable land market supply factor when  
10 evaluating land suitable to accommodate new development or  
11 redevelopment of land for residential development and employment  
12 activities. The reasonable market supply factor identifies reductions  
13 in the amount of land suitable for development and redevelopment. The  
14 methodology for conducting a reasonable land market factor shall be  
15 determined through the guidance developed in section 3 of this act;

16 (c) Provide an analysis of county and/or city development  
17 assumptions, targets, and objectives contained in the countywide  
18 planning policies and the county and city comprehensive plans when  
19 growth targets and assumptions are not being achieved. It is not  
20 appropriate to make a finding that assumed growth contained in the  
21 countywide planning policies and the county or city comprehensive  
22 plan will occur at the end of the current comprehensive planning  
23 twenty-year planning cycle without rationale;

24 (d) Evaluate the implications of the information developed by the  
25 evaluation program in subsection (1) of this section on the goal for  
26 affordable housing in RCW 36.70A.020(4). At a minimum, development  
27 regulations and comprehensive plans shall be evaluated to consider  
28 how existing zoning and land use regulations are promoting or  
29 hindering attainment of this goal. Barriers to this goal being met  
30 shall be identified as part of reasonable measures for each county  
31 and city for consideration and implementation as part of the next  
32 countywide planning policies and the county and city comprehensive  
33 plan update;

34 (e) Determine the actual density of housing that has been  
35 constructed and the actual amount of land developed for commercial  
36 and industrial uses within the urban growth area since the adoption  
37 of a comprehensive plan under this chapter or since the last periodic  
38 evaluation as required by subsection (1) of this section; and

39 ~~((e))~~ (f) Based on the actual density of development as  
40 determined under (b) of this subsection, review commercial,

1 industrial, and housing needs by type and density range to determine  
2 the amount of land needed for commercial, industrial, and housing for  
3 the remaining portion of the twenty-year planning period used in the  
4 most recently adopted comprehensive plan.

5 ~~(4) ((If the evaluation required by subsection (3) of this~~  
6 ~~section demonstrates an inconsistency between what has occurred since~~  
7 ~~the adoption of the countywide planning policies and the county and~~  
8 ~~city comprehensive plans and development regulations and what was~~  
9 ~~envisioned in those policies and plans and the planning goals and the~~  
10 ~~requirements of this chapter, as the inconsistency relates to the~~  
11 ~~evaluation factors specified in subsection (3) of this section, the~~  
12 ~~county and its cities shall adopt and implement measures that are~~  
13 ~~reasonably likely to increase consistency during the subsequent five-~~  
14 ~~year period. If necessary, a county, in consultation with its cities~~  
15 ~~as required by RCW 36.70A.210, shall adopt amendments to countywide~~  
16 ~~planning policies to increase consistency. The county and its cities~~  
17 ~~shall annually monitor the measures adopted under this subsection to~~  
18 ~~determine their effect and may revise or rescind them as appropriate.~~

19 ~~(5)(a) Not later than July 1, 1998, the department shall prepare~~  
20 ~~a list of methods used by counties and cities in carrying out the~~  
21 ~~types of activities required by this section. The department shall~~  
22 ~~provide this information and appropriate technical assistance to~~  
23 ~~counties and cities required to or choosing to comply with the~~  
24 ~~provisions of this section.~~

25 ~~(b) By December 31, 2007, the department shall submit to the~~  
26 ~~appropriate committees of the legislature a report analyzing the~~  
27 ~~effectiveness of the activities described in this section in~~  
28 ~~achieving the goals envisioned by the countywide planning policies~~  
29 ~~and the comprehensive plans and development regulations of the~~  
30 ~~counties and cities.~~

31 ~~(6))~~ From funds appropriated by the legislature for this  
32 purpose, the department shall provide grants to counties, cities, and  
33 regional planning organizations required under subsection ~~((7))~~ (5)  
34 of this section to conduct the review and perform the evaluation  
35 required by this section.

36 ~~((7))~~ (5) The provisions of this section shall apply to  
37 counties, and the cities within those counties, that were greater  
38 than one hundred fifty thousand in population in ~~((1995))~~ 1996 as  
39 determined by office of financial management population estimates and  
40 that are located west of the crest of the Cascade mountain range. Any

1 other county planning under RCW 36.70A.040 may carry out the review,  
2 evaluation, and amendment programs and procedures as provided in this  
3 section.

4 (6) The requirements of this section are subject to the  
5 availability of funds appropriated for this specific purpose. If  
6 funds are not appropriated consistent with the timelines in  
7 subsection (2)(b) of this section, counties and cities shall be  
8 subject to the review and evaluation program as it existed prior to  
9 the effective date of this section.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A  
11 RCW to read as follows:

12 (1) The department of commerce, through a contract with a land  
13 use and economics entity, shall develop guidance for local  
14 governments on the review and evaluation program in RCW 36.70A.215.  
15 The contract shall be with an entity experienced in serving private  
16 and public sector clients which can assist developers and policy  
17 makers to understand near-term market realities and long-term  
18 planning considerations, and with experience facilitating successful  
19 conversations between multiple local governments and stakeholders on  
20 complex land use issues. The department of commerce shall enable  
21 appropriate public participation by affected stakeholders in the  
22 development of the guidance for the appropriate market factor  
23 analysis and review and update of the overall buildable lands  
24 program. This guidance regarding the market factor methodology and  
25 buildable lands program shall be completed by December 1, 2018. The  
26 buildable lands guidance shall analyze and provide recommendations  
27 on:

28 (a) The review and evaluation program in RCW 36.70A.215 and  
29 changes to the required information to be analyzed within the program  
30 to increase the accuracy of the report when updating countywide  
31 planning policies and the county and city comprehensive plans;

32 (b) Whether a more effective schedule could be developed for  
33 countywide planning policies and the county and city comprehensive  
34 plan updates to better align with implementing reasonable measures  
35 identified through the review and evaluation program, and population  
36 projections and census data while maintaining appropriate and timely  
37 consideration of planning needs best done through a comprehensive  
38 planning process;

1 (c) A determination on how reasonable measures, based on the  
2 review and evaluation program, should be implemented into updates for  
3 countywide planning policies and the county and city comprehensive  
4 plans;

5 (d) Infrastructure costs, including but not limited to  
6 transportation, water, sewer, stormwater, and the cost to provide new  
7 or upgraded infrastructure if required to serve development; cost of  
8 development; timelines to permit and develop land; market  
9 availability of land; the nexus between proposed densities, economic  
10 conditions needed to achieve those densities, and the impact to  
11 housing affordability for home ownership and rental housing; and,  
12 market demand when evaluating if land is suitable for development or  
13 redevelopment. These all have an impact on whether development occurs  
14 or if planned for densities will differ from achieved densities;

15 (e) Identifying the measures to increase housing availability and  
16 affordability for all economic segments of the community and the  
17 factors contributing to the high cost of housing including zoning/  
18 development/environmental regulations, permit processing timelines,  
19 housing production trends by housing type and rents and prices,  
20 national and regional economic and demographic trends affecting  
21 housing affordability and production by rents and prices, housing  
22 unit size by housing type, and how well growth targets align with  
23 market conditions including the assumptions on where people desire to  
24 live;

25 (f) Identifying opportunities and strategies to encourage growth  
26 within urban growth areas;

27 (g) Identifying strategies to increase local government capacity  
28 to invest in the infrastructure necessary to accommodate growth and  
29 provide opportunities for affordable housing across all economic  
30 segments of the community and housing types; and

31 (h) Other topics identified by stakeholders and the department.

32 (2) The requirements of this section are subject to the  
33 availability of funds appropriated for this specific purpose.

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

36 The comprehensive plan of a county or city that is required or  
37 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
38 and descriptive text covering objectives, principles, and standards  
39 used to develop the comprehensive plan. The plan shall be an

1 internally consistent document and all elements shall be consistent  
2 with the future land use map. A comprehensive plan shall be adopted  
3 and amended with public participation as provided in RCW 36.70A.140.  
4 Each comprehensive plan shall include a plan, scheme, or design for  
5 each of the following:

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

21 (2) A housing element ensuring the vitality and character of  
22 established residential neighborhoods that: (a) Includes an inventory  
23 and analysis of existing and projected housing needs that identifies  
24 the number of housing units necessary to manage projected growth; (b)  
25 includes a statement of goals, policies, objectives, and mandatory  
26 provisions for the preservation, improvement, and development of  
27 housing, including single-family residences; (c) identifies  
28 sufficient land for housing, including, but not limited to,  
29 government-assisted housing, housing for low-income families,  
30 manufactured housing, multifamily housing, and group homes and foster  
31 care facilities; and (d) makes adequate provisions for existing and  
32 projected needs of all economic segments of the community. In  
33 counties and cities subject to the review and evaluation requirements  
34 of RCW 36.70A.215, the housing element shall be consistent with prior  
35 review and evaluation reports and any reasonable measures identified.

36 (3) A capital facilities plan element consisting of: (a) An  
37 inventory of existing capital facilities owned by public entities,  
38 showing the locations and capacities of the capital facilities; (b) a  
39 forecast of the future needs for such capital facilities; (c) the  
40 proposed locations and capacities of expanded or new capital



1 facilities; (d) at least a six-year plan that will finance such  
2 capital facilities within projected funding capacities and clearly  
3 identifies sources of public money for such purposes; and (e) a  
4 requirement to reassess the land use element if probable funding  
5 falls short of meeting existing needs and to ensure that the land use  
6 element, capital facilities plan element, and financing plan within  
7 the capital facilities plan element are coordinated and consistent.  
8 Park and recreation facilities shall be included in the capital  
9 facilities plan element.

10 (4) A utilities element consisting of the general location,  
11 proposed location, and capacity of all existing and proposed  
12 utilities, including, but not limited to, electrical lines,  
13 telecommunication lines, and natural gas lines.

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

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

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

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

37 (i) Containing or otherwise controlling rural development;

38 (ii) Assuring visual compatibility of rural development with the  
39 surrounding rural area;

1 (iii) Reducing the inappropriate conversion of undeveloped land  
2 into sprawling, low-density development in the rural area;

3 (iv) Protecting critical areas, as provided in RCW 36.70A.060,  
4 and surface water and groundwater resources; and

5 (v) Protecting against conflicts with the use of agricultural,  
6 forest, and mineral resource lands designated under RCW 36.70A.170.

7 (d) Limited areas of more intensive rural development. Subject to  
8 the requirements of this subsection and except as otherwise  
9 specifically provided in this subsection (5)(d), the rural element  
10 may allow for limited areas of more intensive rural development,  
11 including necessary public facilities and public services to serve  
12 the limited area as follows:

13 (i) Rural development consisting of the infill, development, or  
14 redevelopment of existing commercial, industrial, residential, or  
15 mixed-use areas, whether characterized as shoreline development,  
16 villages, hamlets, rural activity centers, or crossroads  
17 developments.

18 (A) A commercial, industrial, residential, shoreline, or mixed-  
19 use area are subject to the requirements of (d)(iv) of this  
20 subsection, but are not subject to the requirements of (c)(ii) and  
21 (iii) of this subsection.

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

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

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

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

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

35 (v) For purposes of (d) of this subsection, an existing area or  
36 existing use is one that was in existence:

37 (A) On July 1, 1990, in a county that was initially required to  
38 plan under all of the provisions of this chapter;

1 (B) On the date the county adopted a resolution under RCW  
2 36.70A.040(2), in a county that is planning under all of the  
3 provisions of this chapter under RCW 36.70A.040(2); or

4 (C) On the date the office of financial management certifies the  
5 county's population as provided in RCW 36.70A.040(5), in a county  
6 that is planning under all of the provisions of this chapter pursuant  
7 to RCW 36.70A.040(5).

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

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

14 (a) The transportation element shall include the following  
15 subelements:

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

17 (ii) Estimated traffic impacts to state-owned transportation  
18 facilities resulting from land use assumptions to assist the  
19 department of transportation in monitoring the performance of state  
20 facilities, to plan improvements for the facilities, and to assess  
21 the impact of land-use decisions on state-owned transportation  
22 facilities;

23 (iii) Facilities and services needs, including:

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

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

33 (C) For state-owned transportation facilities, level of service  
34 standards for highways, as prescribed in chapters 47.06 and 47.80  
35 RCW, to gauge the performance of the system. The purposes of  
36 reflecting level of service standards for state highways in the local  
37 comprehensive plan are to monitor the performance of the system, to  
38 evaluate improvement strategies, and to facilitate coordination  
39 between the county's or city's six-year street, road, or transit  
40 program and the office of financial management's ten-year investment

1 program. The concurrency requirements of (b) of this subsection do  
2 not apply to transportation facilities and services of statewide  
3 significance except for counties consisting of islands whose only  
4 connection to the mainland are state highways or ferry routes. In  
5 these island counties, state highways and ferry route capacity must  
6 be a factor in meeting the concurrency requirements in (b) of this  
7 subsection;

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

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

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

18 (iv) Finance, including:

19 (A) An analysis of funding capability to judge needs against  
20 probable funding resources;

21 (B) A multiyear financing plan based on the needs identified in  
22 the comprehensive plan, the appropriate parts of which shall serve as  
23 the basis for the six-year street, road, or transit program required  
24 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW  
25 35.58.2795 for public transportation systems. The multiyear financing  
26 plan should be coordinated with the ten-year investment program  
27 developed by the office of financial management as required by RCW  
28 47.05.030;

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

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

36 (vi) Demand-management strategies;

37 (vii) Pedestrian and bicycle component to include collaborative  
38 efforts to identify and designate planned improvements for pedestrian  
39 and bicycle facilities and corridors that address and encourage  
40 enhanced community access and promote healthy lifestyles.

1 (b) After adoption of the comprehensive plan by jurisdictions  
2 required to plan or who choose to plan under RCW 36.70A.040, local  
3 jurisdictions must adopt and enforce ordinances which prohibit  
4 development approval if the development causes the level of service  
5 on a locally owned transportation facility to decline below the  
6 standards adopted in the transportation element of the comprehensive  
7 plan, unless transportation improvements or strategies to accommodate  
8 the impacts of development are made concurrent with the development.  
9 These strategies may include increased public transportation service,  
10 ride-sharing programs, demand management, and other transportation  
11 systems management strategies. For the purposes of this subsection  
12 (6), "concurrent with the development" means that improvements or  
13 strategies are in place at the time of development, or that a  
14 financial commitment is in place to complete the improvements or  
15 strategies within six years. If the collection of impact fees is  
16 delayed under RCW 82.02.050(3), the six-year period required by this  
17 subsection (6)(b) must begin after full payment of all impact fees is  
18 due to the county or city.

19 (c) The transportation element described in this subsection (6),  
20 the six-year plans required by RCW 35.77.010 for cities, RCW  
21 36.81.121 for counties, and RCW 35.58.2795 for public transportation  
22 systems, and the ten-year investment program required by RCW  
23 47.05.030 for the state, must be consistent.

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

37 (8) A park and recreation element that implements, and is  
38 consistent with, the capital facilities plan element as it relates to  
39 park and recreation facilities. The element shall include: (a)  
40 Estimates of park and recreation demand for at least a ten-year

1 period; (b) an evaluation of facilities and service needs; and (c) an  
2 evaluation of intergovernmental coordination opportunities to provide  
3 regional approaches for meeting park and recreational demand.

4 (9) It is the intent that new or amended elements required after  
5 January 1, 2002, be adopted concurrent with the scheduled update  
6 provided in RCW 36.70A.130. Requirements to incorporate any such new  
7 or amended elements shall be null and void until funds sufficient to  
8 cover applicable local government costs are appropriated and  
9 distributed by the state at least two years before local government  
10 must update comprehensive plans as required in RCW 36.70A.130.

11 **Sec. 5.** RCW 47.80.023 and 2009 c 515 s 15 are each amended to  
12 read as follows:

13 Each regional transportation planning organization shall have the  
14 following duties:

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

27 (2) Prepare a regional transportation plan as set forth in RCW  
28 47.80.030 that is consistent with countywide planning policies if  
29 such have been adopted pursuant to chapter 36.70A RCW, with county,  
30 city, and town comprehensive plans, and state transportation plans.

31 (3) Certify by December 31, 1996, that the transportation  
32 elements of comprehensive plans adopted by counties, cities, and  
33 towns within the region reflect the guidelines and principles  
34 developed pursuant to RCW 47.80.026, are consistent with the adopted  
35 regional transportation plan, and, where appropriate, conform with  
36 the requirements of RCW 36.70A.070. In the exercise of its duties, a  
37 regional transportation planning organization has no authority to  
38 reject, disapprove, or condition or otherwise limit its approval of a  
39 local government growth management comprehensive plan or element

1 thereof based on the local government's planning for population,  
2 household, job and/or employment growth levels within a designated  
3 urban growth area in excess of the population, household, job and/or  
4 employment targets allocated to the local government pursuant to  
5 chapter 36.70A RCW. Such a rejection, disapproval, or conditional  
6 approval, whether adopted prior or subsequent to the effective date  
7 of this section, is unenforceable.

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

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

29 (6) Include specific opportunities and projects to advance  
30 special needs coordinated transportation, as defined in RCW  
31 47.06B.012, in the coordinated transit-human services transportation  
32 plan, after providing opportunity for public comment.

33 (7) Designate a lead planning agency to coordinate preparation of  
34 the regional transportation plan and carry out the other  
35 responsibilities of the organization. The lead planning agency may be  
36 a regional organization, a component county, city, or town agency, or  
37 the appropriate Washington state department of transportation  
38 district office.



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

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

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

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

23 **Sec. 6.** RCW 36.70A.210 and 2009 c 121 s 2 are each amended to  
24 read as follows:

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

35 (2) The legislative authority of a county that plans under RCW  
36 36.70A.040 shall adopt a countywide planning policy in cooperation  
37 with the cities located in whole or in part within the county as  
38 follows:

1 (a) No later than sixty calendar days from July 16, 1991, the  
2 legislative authority of each county that as of June 1, 1991, was  
3 required or chose to plan under RCW 36.70A.040 shall convene a  
4 meeting with representatives of each city located within the county  
5 for the purpose of establishing a collaborative process that will  
6 provide a framework for the adoption of a countywide planning policy.  
7 In other counties that are required or choose to plan under RCW  
8 36.70A.040, this meeting shall be convened no later than sixty days  
9 after the date the county adopts its resolution of intention or was  
10 certified by the office of financial management.

11 (b) The process and framework for adoption of a countywide  
12 planning policy specified in (a) of this subsection shall determine  
13 the manner in which the county and the cities agree to all procedures  
14 and provisions including but not limited to desired planning  
15 policies, deadlines, ratification of final agreements and  
16 demonstration thereof, and financing, if any, of all activities  
17 associated therewith.

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

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

39 (e) No later than July 1, 1992, the legislative authority of each  
40 county that was required or chose to plan under RCW 36.70A.040 as of

1 June 1, 1991, or no later than fourteen months after the date the  
2 county adopted its resolution of intention or was certified by the  
3 office of financial management the county legislative authority of  
4 any other county that is required or chooses to plan under RCW  
5 36.70A.040, shall adopt a countywide planning policy according to the  
6 process provided under this section and that is consistent with the  
7 agreement pursuant to (b) of this subsection, and after holding a  
8 public hearing or hearings on the proposed countywide planning  
9 policy.

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

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

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

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

18 (d) Policies for countywide transportation facilities and  
19 strategies;

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

23 (f) Policies for joint county and city planning within urban  
24 growth areas;

25 (g) Policies for countywide economic development and employment,  
26 which must include consideration of the future development of  
27 commercial and industrial facilities; ~~((and))~~

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

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

33 (4) Federal agencies and Indian tribes may participate in and  
34 cooperate with the countywide planning policy adoption process.  
35 Adopted countywide planning policies shall be adhered to by state  
36 agencies.

37 (5) Failure to adopt a countywide planning policy that meets the  
38 requirements of this section may result in the imposition of a  
39 sanction or sanctions on a county or city within the county, as  
40 specified in RCW 36.70A.340. In imposing a sanction or sanctions, the

1 governor shall specify the reasons for failure to adopt a countywide  
2 planning policy in order that any imposed sanction or sanctions are  
3 fairly and equitably related to the failure to adopt a countywide  
4 planning policy.

5 (6) Cities and the governor may appeal an adopted countywide  
6 planning policy or the denial of a proposed update, revision, or  
7 amendment to the growth management hearings board within sixty days  
8 of the adoption of the countywide planning policy.

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

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

24 **Sec. 7.** RCW 43.62.035 and 1997 c 429 s 26 are each amended to  
25 read as follows:

26 (1) The office of financial management shall determine the  
27 population of each county of the state annually as of April 1st of  
28 each year and on or before July 1st of each year shall file a  
29 certificate with the secretary of state showing its determination of  
30 the population for each county. The office of financial management  
31 also shall determine the percentage increase in population for each  
32 county over the preceding ten-year period, as of April 1st, and shall  
33 file a certificate with the secretary of state by July 1st showing  
34 its determination. At least once every five years or upon the  
35 availability of decennial census data, whichever is later, the office  
36 of financial management shall prepare twenty-year growth management  
37 planning population projections required by RCW 36.70A.110 for each  
38 county that adopts a comprehensive plan under RCW 36.70A.040 and  
39 shall review these projections with such counties and the cities in

1 those counties before final adoption. The county and its cities may  
2 provide to the office such information as they deem relevant to the  
3 office's projection, and the office shall consider and comment on  
4 such information before adoption.

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

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

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

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

35 (1) In addition to the surcharge authorized in RCW 36.22.178, and  
36 except as provided in subsection (2) of this section, an additional  
37 surcharge of ten dollars shall be charged by the county auditor for  
38 each document recorded, which will be in addition to any other charge  
39 allowed by law. From September 1, 2012, through June 30, ((2019))

1 2029, the surcharge shall be forty dollars. The funds collected  
2 pursuant to this section are to be distributed and used as follows:

3 (a) The auditor shall retain two percent for collection of the  
4 fee, and of the remainder shall remit sixty percent to the county to  
5 be deposited into a fund that must be used by the county and its  
6 cities and towns to accomplish the purposes of chapter 484, Laws of  
7 2005, six percent of which may be used by the county for the  
8 collection and local distribution of these funds and administrative  
9 costs related to its homeless housing plan, and the remainder for  
10 programs which directly accomplish the goals of the county's local  
11 homeless housing plan, except that for each city in the county which  
12 elects as authorized in RCW 43.185C.080 to operate its own local  
13 homeless housing program, a percentage of the surcharge assessed  
14 under this section equal to the percentage of the city's local  
15 portion of the real estate excise tax collected by the county shall  
16 be transmitted at least quarterly to the city treasurer, without any  
17 deduction for county administrative costs, for use by the city for  
18 program costs which directly contribute to the goals of the city's  
19 local homeless housing plan; of the funds received by the city, it  
20 may use six percent for administrative costs for its homeless housing  
21 program.

22 (b) The auditor shall remit the remaining funds to the state  
23 treasurer for deposit in the home security fund account. The  
24 department may use twelve and one-half percent of this amount for  
25 administration of the program established in RCW 43.185C.020,  
26 including the costs of creating the statewide homeless housing  
27 strategic plan, measuring performance, providing technical assistance  
28 to local governments, and managing the homeless housing grant  
29 program. Of the remaining eighty-seven and one-half percent, at least  
30 forty-five percent must be set aside for the use of private rental  
31 housing payments, and the remainder is to be used by the department  
32 to:

33 (i) Provide housing and shelter for homeless people including,  
34 but not limited to: Grants to operate, repair, and staff shelters;  
35 grants to operate transitional housing; partial payments for rental  
36 assistance; consolidated emergency assistance; overnight youth  
37 shelters; grants and vouchers designated for victims of human  
38 trafficking and their families; and emergency shelter assistance; and

39 (ii) Fund the homeless housing grant program.

1 (2) The surcharge imposed in this section does not apply to (a)  
2 assignments or substitutions of previously recorded deeds of trust,  
3 (b) documents recording a birth, marriage, divorce, or death, (c) any  
4 recorded documents otherwise exempted from a recording fee or  
5 additional surcharges under state law, (d) marriage licenses issued  
6 by the county auditor, ~~((e))~~ (e) documents recording a state,  
7 county, or city lien or satisfaction of lien, or (f) documents  
8 recording a water-sewer district lien or satisfaction of a lien for  
9 delinquent utility payments.

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

12 (1) A city or county that meets the requirements of subsection  
13 (2) of this section may use the greater of one hundred thousand  
14 dollars or twenty-five percent of available funds, but not to exceed  
15 one million dollars per year, from revenues collected under RCW  
16 82.46.035 for:

17 (a) The maintenance of capital projects, as defined in RCW  
18 82.46.035(5); ~~((e))~~

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

22 (c) The planning, acquisition, construction, reconstruction,  
23 repair, replacement, rehabilitation, improvement, or maintenance of  
24 capital projects as defined in RCW 82.46.010(6)(b) that are not also  
25 included within the definition of capital projects in RCW  
26 82.46.035(5).

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

29 (a) The city or county prepares a written report demonstrating  
30 that it has or will have adequate funding from all sources of public  
31 funding to pay for all capital projects, as defined in RCW  
32 82.46.035(5), identified in its capital facilities plan for the  
33 succeeding two-year period; and

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

1 (ii) Any local requirement adopted by the city or county under  
2 (b)(i) of this subsection is: Specifically authorized by RCW  
3 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;  
4 specifically authorized by other state or federal law; or a seller or  
5 landlord disclosure requirement pursuant to RCW 64.06.080; or

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

10 (3) The report prepared under subsection (2)(a) of this section  
11 must: (a) Include information necessary to determine compliance with  
12 the requirements of subsection (2)(a) of this section; (b) identify  
13 how revenues collected under RCW 82.46.035 were used by the city or  
14 county during the prior two-year period; (c) identify how funds  
15 authorized under subsection (1) of this section will be used during  
16 the succeeding two-year period; and (d) identify what percentage of  
17 funding for capital projects within the city or county is  
18 attributable to revenues under RCW 82.46.035 compared to all other  
19 sources of capital project funding. The city or county must prepare  
20 and adopt the report as part of its regular, public budget process.

21 ~~(4) ((The authority to use funds as authorized in this section is~~  
22 ~~in addition to the authority to use funds pursuant to RCW~~  
23 ~~82.46.035(7)), which remains in effect through December 31, 2016.~~

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

29 NEW SECTION. Sec. 10. The legislature finds that:

30 (1) Families, senior citizens, and workers with fewer financial  
31 resources are more likely to experience unhealthy and unsafe housing  
32 conditions;

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

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



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

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

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

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

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

15 NEW SECTION. **Sec. 11.** It is the purpose of this chapter to give  
16 communities a local option to preserve and increase healthy, high-  
17 quality affordable rental housing opportunities for very low-income  
18 households for which the governing authority has found that there are  
19 insufficient healthy affordable housing opportunities. It is also the  
20 purpose of this chapter to ensure that housing opportunities are  
21 affordable to renters at below-market rent levels, as determined by  
22 the governing authority, with consideration of community needs,  
23 market rental costs, and income levels of renters.

24 NEW SECTION. **Sec. 12.** The definitions in this section apply  
25 throughout this chapter unless the context clearly requires  
26 otherwise.

27 (1) "Accessory dwelling unit" means one or more rooms that are  
28 located within a single-family dwelling unit or within an accessory  
29 structure on the same lot as a single-family dwelling unit.

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

34 (3) "Governing authority" means the local legislative authority  
35 of a city or county having jurisdiction over the property for which  
36 an exemption may be applied under this chapter.

37 (4) "Health and quality standards" means standards substantially  
38 equivalent to uniform physical condition standards, as established by

1 the United States department of housing and urban development, or the  
2 national healthy housing standard, as established by the national  
3 center for healthy housing and the American public health  
4 association. Governing authority may use a residential housing  
5 inspection program within the jurisdiction that has established the  
6 tax exemption, as long as the standards are substantially equivalent  
7 to uniform physical condition standards or the national healthy  
8 housing standard.

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

14 (6) "Household" means a single person, family, or unrelated  
15 persons living together.

16 (7) "Multifamily dwelling" means a building consisting of more  
17 than one dwelling unit, as further defined by the governing  
18 authority.

19 (8) "Owner" means the property owner of record.

20 (9) "Permanent residential occupancy" means housing that provides  
21 rental occupancy on a nontransient basis. "Permanent residential  
22 occupancy" includes rental accommodation that is leased for a period  
23 of at least one month. "Permanent residential occupancy" excludes  
24 hotels and motels that predominately offer rental accommodation on a  
25 daily or weekly basis.

26 (10) "Property" means a multifamily dwelling not designed as  
27 transient accommodations, and the land upon which the dwelling is  
28 located. "Property" excludes hotels or motels. "Property" may also  
29 include a single-family dwelling and the land upon which the dwelling  
30 is located if the governing authority adopts a program for such  
31 property as provided in section 18(1)(e) of this act.

32 (11) "Rehabilitation improvements" means modifications to  
33 existing property made to achieve substantial compliance with energy  
34 and water efficiency standards.

35 (12) "Single-family dwelling unit" means an individual detached  
36 dwelling, as further defined by the governing authority.

37 (13) "Very low-income household" means a single person, family,  
38 or unrelated persons living together whose adjusted income is at or  
39 below fifty percent of the median family income adjusted for family  
40 size, for the county in which the project is located, as reported by

1 the United States department of housing and urban development. For  
2 cities located in high-cost areas, "very low-income household" means  
3 a household that has an income at or below sixty percent of the  
4 median family income adjusted for family size, for the county in  
5 which the project is located.

6 NEW SECTION. **Sec. 13.** A city governing authority may adopt a  
7 property tax exemption program to preserve affordable housing that  
8 meets health and quality standards for very low-income households at  
9 risk of displacement or that cannot afford market-rate housing. A  
10 county governing authority may adopt a property tax exemption program  
11 for unincorporated areas of the county to preserve affordable housing  
12 that meets health and quality standards for very low-income  
13 households at risk of displacement or that cannot afford market-rate  
14 housing.

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

21 (a) Below market rent levels as determined by the governing  
22 authority; and

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

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

28 (b) The governing authority of a high-cost area, after holding a  
29 public hearing, may also establish higher income levels. The higher  
30 income level may not exceed sixty percent of the county area median  
31 family income, adjusted for family size.

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

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

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

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

13        (4) This chapter neither applies to increases in assessed  
14 valuation made by the assessor on nonqualifying portions of building  
15 or land nor to increases made by lawful order of a county board of  
16 equalization, the department of revenue, or a county, to a class of  
17 property throughout the county or specific area of the county to  
18 achieve the uniformity of assessment or appraisal required by law.

19        (5) The exemption does not apply to any county property tax  
20 unless the legislative authority of the county adopts a resolution  
21 and notifies the governing authority of the jurisdiction within the  
22 county that has established a tax exempt program of its intent to  
23 allow the property to be exempt.

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

27        NEW SECTION.        **Sec. 16.**        To be eligible for the exemption from  
28 property taxation under this chapter, in addition to other  
29 requirements set forth in this chapter, the property must be in  
30 compliance with the following applicable requirements for the entire  
31 exemption period:

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

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

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

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

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

14 (6) The property owner must enter into a contract with the city  
15 or county approved by the governing authority, or an administrative  
16 official or commission authorized by the governing authority, under  
17 which the property owner has agreed to terms and conditions  
18 satisfactory to the governing authority.

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

26 (2) The property must be inspected for compliance with subsection  
27 (1) of this section at the time of application for tax exemption and,  
28 thereafter, as established by the governing authority at least once  
29 every three years.

30 (3) The governing authority or its duly authorized representative  
31 may deny an application for tax exemption or revoke an existing  
32 exemption under this chapter for failure to comply with health and  
33 quality standards.

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

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

1 (b) The designation of targeted residential areas for property to  
2 align with community needs, including to prevent displacement,  
3 preserve cultural communities, and provide affordable housing options  
4 near community infrastructure such as transportation or public  
5 schools;

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

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

11 (e) A program for single-family dwelling rental units or  
12 accessory dwelling units occupied by tenants complying with  
13 affordability requirements under this chapter as adopted by the  
14 governing authority;

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

17 (2) The governing authority must adopt and implement standards  
18 and guidelines to be utilized in considering applications and making  
19 the determinations required under this chapter. The standards and  
20 guidelines must establish basic requirements to include:

21 (a) An application process and procedures;

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

28 (c) An inspection policy and procedures to ensure the property  
29 complies with health and quality standards;

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

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

34 (3) Standards may apply to part or all of a jurisdiction and  
35 different standards may be applied to different areas within a  
36 jurisdiction or to different types of development. Programs  
37 authorized under this section may be modified to meet local needs and  
38 may include provisions not expressly provided in this section.

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

6        (1) The applicant must apply to the city or county on forms  
7 adopted by the governing authority. The application must contain the  
8 following:

9        (a) Information setting forth the grounds supporting the  
10 requested exemption, including information indicated on the  
11 application form or in the guidelines;

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

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

17        (d) When the governing authority finds that rehabilitation is  
18 required to meet evergreen sustainable development building  
19 performance standards, a rehabilitation plan outlining rehabilitation  
20 improvements, budget, and proposed schedule for repairs; and

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

24        (2) The applicant must verify the application by oath or  
25 affirmation; and

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

30        NEW SECTION.        **Sec. 20.**        (1) Upon receipt of an application  
31 meeting the requirements of section 19 of this act, the governing  
32 authority must inspect the property to certify compliance with health  
33 and quality standards.

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

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

38        (b) The property meets health and quality standards; and

1 (c) The owner has complied with all standards and guidelines  
2 adopted by the governing authority under this chapter.

3 NEW SECTION. **Sec. 21.** (1) The governing authority, or an  
4 administrative official or commission authorized by the governing  
5 authority, must approve or deny an application filed under this  
6 chapter within one hundred twenty days. The governing authority may  
7 adopt standards to extend the period to approve or deny an  
8 application filed under this chapter for a property that does not  
9 meet health and quality standards.

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

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

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

35 NEW SECTION. **Sec. 22.** The governing authority may establish an  
36 application fee or other fees to not exceed an amount determined to  
37 be required to cover the cost to be incurred by the governing  
38 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 evergreen sustainable  
35 development building performance standards, a progress report on  
36 compliance with the rehabilitation plan, budget, and proposed  
37 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; or

27 (d) The owner fails to meet affordable housing requirements.

28 (2)(a) Notification of a canceled certificate of exemption must  
29 be made by the governing authority or authorized representative of  
30 the governing authority to the county assessor within thirty days of  
31 the cancellation. Upon notice of a canceled tax exemption  
32 certificate, additional real property tax must be imposed upon the  
33 value of the improvements and land that no longer qualify for  
34 exemption under this chapter in the amount that would have been  
35 imposed had the property not been exempt under this act, plus a  
36 penalty of twenty percent of the additional tax. This additional tax  
37 is calculated from January 1st of the year the certificate of tax  
38 exemption first became effective.

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

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

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

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

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

39 (3) Upon a determination that a property tax exemption is to be  
40 canceled for any reason stated in this section, the governing

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

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

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

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

35 NEW SECTION. **Sec. 28.** Sections 10 through 27 of this act  
36 constitute a new chapter in Title 84 RCW.

1        NEW SECTION.    **Sec. 29.**    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. 30.**    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. 31.** 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, the  
26 department shall, in consultation with the interagency council on  
27 homelessness and the affordable housing advisory board, prepare and  
28 publish a ten-year homeless housing strategic plan which shall  
29 outline statewide goals and performance measures and shall be  
30 coordinated with the plan for homeless families with children  
31 required under RCW 43.63A.650. To guide local governments in  
32 preparation of their first local homeless housing plans due December  
33 31, 2005, the department shall issue by October 15, 2005, temporary  
34 guidelines consistent with this chapter and including the best  
35 available data on each community's homeless population. Local  
36 governments' ten-year homeless housing plans shall not be  
37 substantially inconsistent with the goals and program recommendations  
38 of the temporary guidelines and, when amended after 2005, the state  
39 strategic plan.

1 (2) Program outcomes and performance measures and goals shall be  
2 created by the department and reflected in the department's homeless  
3 housing strategic plan as well as interim goals against which state  
4 and local governments' performance may be measured, including:

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

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

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

12 (3)(a) The department shall work in consultation with the  
13 interagency council on homelessness, the affordable housing advisory  
14 board, and the state advisory council on homelessness to develop  
15 performance measures that address the limitations of the annual  
16 point-in-time count on measuring the effectiveness of the document  
17 recording fee surcharge funds in supporting homeless programs. The  
18 department must report its findings and recommendations regarding the  
19 new performance measures to the appropriate committees of the  
20 legislature by December 1, 2017.

21 (b) The department must implement at least three performance  
22 metrics, in addition to the point-in-time measurement, that measure  
23 the impact of surcharge funding on reducing homelessness by July 1,  
24 2018.

25 (c) The joint legislative audit and review committee must review  
26 how the surcharge fees are expended to address homelessness,  
27 including a review of the related program performance measures and  
28 targets. The joint legislative audit and review committee must report  
29 its review findings by December 1, 2022, and update the review every  
30 five years thereafter.

31 (4) The department shall develop a consistent statewide data  
32 gathering instrument to monitor the performance of cities and  
33 counties receiving grants in order to determine compliance with the  
34 terms and conditions set forth in the grant application or required  
35 by the department.

36 The department shall, in consultation with the interagency  
37 council on homelessness and the affordable housing advisory board,  
38 report biennially to the governor and the appropriate committees of  
39 the legislature an assessment of the state's performance in  
40 furthering the goals of the state ten-year homeless housing strategic



1 plan and the performance of each participating local government in  
2 creating and executing a local homeless housing plan which meets the  
3 requirements of this chapter. To increase the effectiveness of the  
4 report, the department must develop a process to ensure consistent  
5 presentation, analysis, and explanation in the report, including  
6 year-to-year comparisons, highlights of program successes and  
7 challenges, and information that supports recommended strategy or  
8 operational changes. The annual report may include performance  
9 measures such as:

10 (a) The reduction in the number of homeless individuals and  
11 families from the initial count of homeless persons;

12 (b) The reduction in the number of unaccompanied homeless youth.  
13 "Unaccompanied homeless youth" has the same meaning as in RCW  
14 43.330.702;

15 (c) The number of new units available and affordable for homeless  
16 families by housing type;

17 (d) The number of homeless individuals identified who are not  
18 offered suitable housing within thirty days of their request or  
19 identification as homeless;

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

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

23 (g) The cost per person housed at each level of the housing  
24 continuum;

25 (h) The ability to successfully collect data and report  
26 performance;

27 (i) The extent of collaboration and coordination among public  
28 bodies, as well as community stakeholders, and the level of community  
29 support and participation;

30 (j) The quality and safety of housing provided; and

31 (k) The effectiveness of outreach to homeless persons, and their  
32 satisfaction with the program.

33 ~~((4))~~ (5) Based on the performance of local homeless housing  
34 programs in meeting their interim goals, on general population  
35 changes and on changes in the homeless population recorded in the  
36 annual census, the department may revise the performance measures and  
37 goals of the state homeless housing strategic plan, set goals for  
38 years following the initial ten-year period, and recommend changes in  
39 local governments' plans.

1       **Sec. 32.** RCW 43.185C.160 and 2005 c 485 s 1 are each amended to  
2 read as follows:

3       (1) Each county shall create a homeless housing task force to  
4 develop a ~~((ten-year))~~ five-year homeless housing plan addressing  
5 short-term and long-term housing for homeless persons. The plan is  
6 due to the department on December 1, 2018, and must be updated every  
7 five years thereafter. The plan must include a local homelessness  
8 reduction goal for the county and an implementation plan to achieve  
9 the goal over the five-year plan period. The plan must also have a  
10 specific and more aggressive goal and implementation plan to reduce  
11 youth homelessness in the county that is consistent with state  
12 reduction strategies developed by the office of homeless youth  
13 prevention and protection programs.

14       Membership on the task force may include representatives of the  
15 counties, cities, towns, housing authorities, civic and faith  
16 organizations, schools, community networks, human services providers,  
17 law enforcement personnel, criminal justice personnel, including  
18 prosecutors, probation officers, and jail administrators, substance  
19 abuse treatment providers, mental health care providers, emergency  
20 health care providers, businesses, at large representatives of the  
21 community, and a homeless or formerly homeless individual.

22       In lieu of creating a new task force, a local government may  
23 designate an existing governmental or nonprofit body which  
24 substantially conforms to this section and which includes at least  
25 one homeless or formerly homeless individual to serve as its homeless  
26 representative. As an alternative to a separate plan, two or more  
27 local governments may work in concert to develop and execute a joint  
28 homeless housing plan, or to contract with another entity to do so  
29 according to the requirements of this chapter. While a local  
30 government has the authority to subcontract with other entities, the  
31 local government continues to maintain the ultimate responsibility  
32 for the homeless housing program within its borders.

33       A county may decline to participate in the program authorized in  
34 this chapter by forwarding to the department a resolution adopted by  
35 the county legislative authority stating the intention not to  
36 participate. A copy of the resolution shall also be transmitted to  
37 the county auditor and treasurer. If a county declines to  
38 participate, the department shall create and execute a local homeless  
39 housing plan for the county meeting the requirements of this chapter.

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

- 5 (a) Emergency shelters;
- 6 (b) Short-term housing needs;
- 7 (c) Temporary encampments;
- 8 (d) Supportive housing for chronically homeless persons; and
- 9 (e) Long-term housing.

10 Guidelines must include, when appropriate, standards for health  
11 and safety and notifying the public of proposed facilities to house  
12 the homeless.

13 (3) Each county, including counties exempted from creating a new  
14 task force under subsection (1) of this section, shall report to the  
15 department (~~of community, trade, and economic development~~) such  
16 information as may be needed to ensure compliance with this chapter,  
17 including the annual report required in section 33 of this act.

18 NEW SECTION. **Sec. 33.** A new section is added to chapter 43.185C  
19 RCW to read as follows:

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

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

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

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

- 32 (i) Emergency shelter;
- 33 (ii) Homelessness prevention and rapid rehousing;
- 34 (iii) Permanent housing;
- 35 (iv) Permanent supportive housing;
- 36 (v) Transitional housing;
- 37 (vi) Services only; and
- 38 (vii) Any other activity in which more than five hundred thousand  
39 dollars of category funds were expended;

1 (d) A report on the expenditures, performance, and outcomes of  
2 state funds distributed through the consolidated homeless grant  
3 program, including the grant recipient, award amount expended, use of  
4 the funds, counties served, and households served;

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

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

13 (g) A report on the expenditures, performance, and outcomes of  
14 the independent youth housing program meeting the requirements of RCW  
15 43.63A.311.

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

19 (3) By February 1st of each year, any local government receiving  
20 state funds for homelessness assistance or state or local  
21 homelessness document recording fees under RCW 36.22.178, 36.22.179,  
22 or 36.22.1791 must provide an annual report on the current condition  
23 of homelessness in its jurisdiction, its performance in meeting the  
24 goals in its local homeless housing plan, and any significant changes  
25 made to the plan. The annual report must be posted on the  
26 department's web site. Along with each local government annual  
27 report, the department must produce and post information on the local  
28 government's homelessness spending from all sources by project during  
29 the prior state fiscal year in a format similar to the department's  
30 report under subsection (1)(c) of this section. If a local government  
31 fails to report or provides an inadequate or incomplete report, the  
32 department must take corrective action, which may include withholding  
33 state funding for homelessness assistance to the local government to  
34 enable the department to use such funds to contract with other public  
35 or nonprofit entities to provide homelessness assistance within the  
36 jurisdiction.

37 **Sec. 34.** RCW 36.22.178 and 2011 c 110 s 1 are each amended to  
38 read as follows:

1 The surcharge provided for in this section shall be named the  
2 affordable housing for all surcharge.

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

21 (2) All of the remaining funds generated by this surcharge will  
22 be retained by the county and be deposited into a fund that must be  
23 used by the county and its cities and towns for eligible housing  
24 activities as described in this subsection that serve very low-income  
25 households with incomes at or below fifty percent of the area median  
26 income. Up to six percent of the funds may be used by the county for  
27 the collection and local distribution of these funds and  
28 administrative costs related to its homeless housing plan. The  
29 portion of the surcharge retained by a county shall be allocated to  
30 eligible housing activities that serve extremely low and very low-  
31 income households in the county and the cities within a county  
32 according to an interlocal agreement between the county and the  
33 cities within the county consistent with countywide and local housing  
34 needs and policies. A priority must be given to eligible housing  
35 activities that serve extremely low-income households with incomes at  
36 or below thirty percent of the area median income. Eligible housing  
37 activities to be funded by these county funds are limited to:

38 (a) Acquisition, construction, or rehabilitation of housing  
39 projects or units within housing projects that are affordable to very  
40 low-income households with incomes at or below fifty percent of the

1 area median income, including units for homeownership, rental units,  
2 seasonal and permanent farmworker housing units, units reserved for  
3 victims of human trafficking and their families, and single room  
4 occupancy units;

5 (b) Supporting building operation and maintenance costs of  
6 housing projects or units within housing projects eligible to receive  
7 housing trust funds, that are affordable to very low-income  
8 households with incomes at or below fifty percent of the area median  
9 income, and that require a supplement to rent income to cover ongoing  
10 operating expenses;

11 (c) Rental assistance vouchers for housing units that are  
12 affordable to very low-income households with incomes at or below  
13 fifty percent of the area median income, including rental housing  
14 vouchers for victims of human trafficking and their families, to be  
15 administered by a local public housing authority or other local  
16 organization that has an existing rental assistance voucher program,  
17 consistent with or similar to the United States department of housing  
18 and urban development's section 8 rental assistance voucher program  
19 standards; and

20 (d) Operating costs for emergency shelters and licensed overnight  
21 youth shelters.

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

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

26 (1) In addition to the surcharges authorized in RCW 36.22.178 and  
27 36.22.179, and except as provided in subsection (2) of this section,  
28 the county auditor shall charge an additional surcharge of eight  
29 dollars for each document recorded, which is in addition to any other  
30 charge allowed by law. The funds collected under this section are to  
31 be distributed and used as follows:

32 (a) The auditor shall remit ninety percent to the county to be  
33 deposited into a fund six percent of which may be used by the county  
34 for the collection and local distribution of these funds and  
35 administrative costs related to its homeless housing plan, and the  
36 remainder for programs that directly accomplish the goals of the  
37 county's local homeless housing plan, except that for each city in  
38 the county that elects, as authorized in RCW 43.185C.080, to operate  
39 its own local homeless housing program, a percentage of the surcharge

1 assessed under this section equal to the percentage of the city's  
2 local portion of the real estate excise tax collected by the county  
3 must be transmitted at least quarterly to the city treasurer for use  
4 by the city for program costs that directly contribute to the goals  
5 of the city's local homeless housing plan.

6 (b) The auditor shall remit the remaining funds to the state  
7 treasurer for deposit in the home security fund account. The  
8 department may use the funds for administering the program  
9 established in RCW 43.185C.020, including the costs of creating and  
10 updating the statewide homeless housing strategic plan, measuring  
11 performance, providing technical assistance to local governments, and  
12 managing the homeless housing grant program. Remaining funds may also  
13 be used to:

14 (i) Provide housing and shelter for homeless people including,  
15 but not limited to: Grants to operate, repair, and staff shelters;  
16 grants to operate transitional housing; partial payments for rental  
17 assistance; consolidated emergency assistance; overnight youth  
18 shelters; grants and vouchers designated for victims of human  
19 trafficking and their families; and emergency shelter assistance; and

20 (ii) Fund the homeless housing grant program.

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

23 **Sec. 36.** RCW 43.185C.240 and 2015 c 69 s 26 are each amended to  
24 read as follows:

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

27 (a) Any local government that has the authority to issue housing  
28 vouchers, directly or through a contractor, using document recording  
29 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or  
30 36.22.1791 must:

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

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

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

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

1 (E) Communicate and interact with landlord and tenant  
2 associations located within its jurisdiction to facilitate  
3 development, maintenance, and distribution of the list to private  
4 rental housing landlords. The department must make reasonable efforts  
5 to ensure that local providers conduct outreach to private rental  
6 housing landlords each calendar quarter regarding opportunities to  
7 provide rental housing to the homeless and the availability of funds;

8 (ii) Using cost-effective methods of communication, convene, on a  
9 semiannual or more frequent basis, landlords represented on the  
10 interested landlord list and agencies providing services to  
11 individuals and households receiving housing vouchers to identify  
12 successes, barriers, and process improvements. The local government  
13 is not required to reimburse any participants for expenses related to  
14 attendance;

15 (iii) Produce data, limited to document recording fee uses and  
16 expenditures, on a ~~((calendar))~~ fiscal year basis in consultation  
17 with landlords represented on the interested landlord list and  
18 agencies providing services to individuals and households receiving  
19 housing vouchers, that include the following: Total amount expended  
20 from document recording fees; amount expended on, number of  
21 households that received, and number of housing vouchers issued in  
22 each of the private, public, and nonprofit markets; amount expended  
23 on, number of households that received, and number of housing  
24 placement payments provided in each of the private, public, and  
25 nonprofit markets; amount expended on and number of eviction  
26 prevention services provided in the private market; amount expended  
27 on and number of other tenant-based rent assistance services provided  
28 in the private market; and amount expended on and number of services  
29 provided to unaccompanied homeless youth. If these data elements are  
30 not readily available, the reporting government may request the  
31 department to use the sampling methodology established pursuant to  
32 (c)(iii) of this subsection to obtain the data; and

33 (iv) Annually submit the ~~((calendar))~~ fiscal year data to the  
34 department ~~((by October 1st, with preliminary data submitted by  
35 October 1, 2012, and full calendar year data submitted beginning  
36 October 1, 2013))~~.

37 (b) Any local government receiving more than three million five  
38 hundred thousand dollars during the previous ~~((calendar))~~ fiscal year  
39 from document recording surcharge funds collected pursuant to RCW  
40 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington



1 state quality award program, or similar Baldrige assessment  
2 organization, for an independent assessment of its quality  
3 management, accountability, and performance system. The first  
4 assessment may be a lite assessment. After submitting an application,  
5 a local government is required to reapply at least every two years.

6 (c) The department must:

7 (i) Require contractors that provide housing vouchers to  
8 distribute the interested landlord list created by the appropriate  
9 local government to individuals and households receiving the housing  
10 vouchers;

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

18 (iii) Develop a sampling methodology to obtain data required  
19 under this section when a local government or contractor does not  
20 have such information readily available. The process for developing  
21 the sampling methodology must include providing notification to and  
22 the opportunity for public comment by local governments issuing  
23 housing vouchers, landlord association representatives, and agencies  
24 providing services to individuals and households receiving housing  
25 vouchers;

26 (iv) Develop a report, limited to document recording fee uses and  
27 expenditures, on a (~~calendar~~) fiscal year basis that may include  
28 consultation with local governments, landlord association  
29 representatives, and agencies providing services to individuals and  
30 households receiving housing vouchers, that includes the following:  
31 Total amount expended from document recording fees; amount expended  
32 on, number of households that received, and number of housing  
33 vouchers issued in each of the private, public, and nonprofit  
34 markets; amount expended on, number of households that received, and  
35 number of housing placement payments provided in each of the private,  
36 public, and nonprofit markets; amount expended on and number of  
37 eviction prevention services provided in the private market; the  
38 total amount of funds set aside for private rental housing payments  
39 as required in RCW 36.22.179(1)(b); and amount expended on and number  
40 of other tenant-based rent assistance services provided in the

1 private market. The information in the report must include data  
2 submitted by local governments and data on all additional document  
3 recording fee activities for which the department contracted that  
4 were not otherwise reported. The data, samples, and sampling  
5 methodology used to develop the report must be made available upon  
6 request and for the audits required in this section;

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

11 (vi) Work with the Washington state quality award program, local  
12 governments, and any other organizations to ensure the appropriate  
13 scheduling of assessments for all local governments meeting the  
14 criteria described in (~~subsection (1)~~)(b) of this (~~section~~)  
15 subsection.

16 (d) The office of financial management must secure an independent  
17 audit of the department's data and expenditures of state funds  
18 received under RCW 36.22.179(1)(b) on an annual basis. The  
19 independent audit must review a random sample of local governments,  
20 contractors, and housing providers that is geographically and  
21 demographically diverse. The independent auditor must meet with the  
22 department and a landlord representative to review the preliminary  
23 audit and provide the department and the landlord representative with  
24 the opportunity to include written comments regarding the findings  
25 that must be included with the audit. The first audit of the  
26 department's data and expenditures will be for calendar year 2014 and  
27 is due July 1, 2015. Each audit thereafter will be due July 1st  
28 following the department's submission of the report to the  
29 legislature. If the independent audit finds that the department has  
30 failed to set aside at least forty-five percent of the funds received  
31 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental  
32 housing payments, the independent auditor must notify the department  
33 and the office of financial management of its finding. In addition,  
34 the independent auditor must make recommendations to the office of  
35 financial management and the legislature on alternative means of  
36 distributing the funds to meet the requirements of RCW  
37 36.22.179(1)(b).

38 (e) The office of financial management must contract with an  
39 independent auditor to conduct a performance audit of the programs  
40 funded by document recording surcharge funds collected pursuant to

1 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide  
2 findings to determine if the funds are being used effectively,  
3 efficiently, and for their intended purpose. The audit must review  
4 the department's performance in meeting all statutory requirements  
5 related to document recording surcharge funds including, but not  
6 limited to, the data the department collects, the timeliness and  
7 quality of required reports, and whether the data and required  
8 reports provide adequate information and accountability for the use  
9 of the document recording surcharge funds. The audit must include  
10 recommendations for policy and operational improvements to the use of  
11 document recording surcharges by counties and the department. The  
12 performance audit must be submitted to the legislature by December 1,  
13 2016.

14 (2) For purposes of this section:

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

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

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

29 (d) "Private rental housing" means housing owned by a private  
30 landlord and does not include housing owned by a nonprofit housing  
31 entity or government entity.

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

33 **Sec. 37.** RCW 43.21C.440 and 2012 1st sp.s. c 1 s 303 are each  
34 amended to read as follows:

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

1 (a) Are designated as planned actions by an ordinance or  
2 resolution adopted by a county, city, or town planning under RCW  
3 36.70A.040;

4 (b) In conjunction with, or to implement, a comprehensive plan or  
5 subarea plan adopted under chapter 36.70A RCW, or a fully contained  
6 community, a master planned resort, a master planned development, or  
7 a phased project, have had the significant impacts adequately  
8 addressed ((in)):

9 (i) In an environmental impact statement under the requirements  
10 of this chapter ((in conjunction with, or to implement, a  
11 comprehensive plan or subarea plan adopted under chapter 36.70A RCW,  
12 or a fully contained community, a master planned resort, a master  
13 planned development, or a phased project)); or

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

18 (c) Have had project level significant impacts adequately  
19 addressed in a threshold determination or, where one is required  
20 under (b) of this subsection (1) or where otherwise appropriate, an  
21 environmental impact statement, unless the impacts are specifically  
22 deferred for consideration at the project level pursuant to  
23 subsection (3)(b) of this section;

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

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

28 (f) Are not essential public facilities, as defined in RCW  
29 36.70A.200, unless an essential public facility is accessory to or  
30 part of a residential, office, school, commercial, recreational,  
31 service, or industrial development that is designated a planned  
32 action under this subsection; and

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

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

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

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

1 (3)(a) A county, city, or town shall determine during permit  
2 review whether a proposed project is consistent with a planned action  
3 ordinance adopted by the jurisdiction. To determine project  
4 consistency with a planned action ordinance, a county, city, or town  
5 may utilize a modified checklist pursuant to the rules adopted to  
6 implement RCW 43.21C.110, a form that is designated within the  
7 planned action ordinance, or a form contained in agency rules adopted  
8 pursuant to RCW 43.21C.120.

9 (b) A county, city, or town is not required to make a threshold  
10 determination and may not require additional environmental review,  
11 for a proposal that is determined to be consistent with the  
12 development or redevelopment described in the planned action  
13 ordinance, except for impacts that are specifically deferred to the  
14 project level at the time of the planned action ordinance's adoption.  
15 At least one community meeting must be held before the notice is  
16 issued for the planned action ordinance. Notice for the planned  
17 action and notice of the community meeting required by this  
18 subsection (3)(b) must be mailed or otherwise verifiably provided to:

19 (i) All affected federally recognized tribal governments; and (ii)  
20 agencies with jurisdiction over the future development anticipated  
21 for the planned action. The determination of consistency, and the  
22 adequacy of any environmental review that was specifically deferred,  
23 are subject to the type of administrative appeal that the county,  
24 city, or town provides for the proposal itself consistent with RCW  
25 36.70B.060.

26 (4) For a planned action ordinance that encompasses the entire  
27 jurisdictional boundary of a county, city, or town, at least one  
28 community meeting must be held before the notice is issued for the  
29 planned action ordinance. Notice for the planned action ordinance and  
30 notice of the community meeting required by this subsection must be  
31 mailed or otherwise verifiably provided to:

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

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

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

37 **Sec. 38.** RCW 43.21C.229 and 2012 1st sp.s. c 1 s 304 are each  
38 amended to read as follows:

1 (1) In order to accommodate infill development and thereby  
2 realize the goals and policies of comprehensive plans adopted  
3 according to chapter 36.70A RCW, a city or county planning under RCW  
4 36.70A.040 is authorized by this section to establish categorical  
5 exemptions from the requirements of this chapter. An exemption  
6 adopted under this section applies even if it differs from the  
7 categorical exemptions adopted by rule of the department under RCW  
8 43.21C.110(1)(a). An exemption may be adopted by a city or county  
9 under this section if it meets the following criteria:

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

15 (i) Residential development;

16 (ii) Mixed-use development; or

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

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

23 (c) The local government considers the specific probable adverse  
24 environmental impacts of the proposed action and determines that  
25 these specific impacts are adequately addressed by the development  
26 regulations or other applicable requirements of the comprehensive  
27 plan, subarea plan element of the comprehensive plan, planned action  
28 ordinance, or other local, state, or federal rules or laws; and

29 (d)(i) The city or county's applicable comprehensive plan was  
30 previously subjected to environmental analysis (~~((through an~~  
31 ~~environmental impact statement))~~) under the requirements of this  
32 chapter prior to adoption; or

33 (ii) The city or county has (~~((prepared an environmental impact~~  
34 ~~statement that considers))~~), in the course of environmental analysis  
35 under the requirements of this chapter, considered the proposed use  
36 or density and intensity of use in the area proposed for an exemption  
37 under this section.

38 (2) Any categorical exemption adopted by a city or county under  
39 this section shall be subject to the rules of the department adopted

1 according to RCW 43.21C.110(1)(a) that provide exceptions to the use  
2 of categorical exemptions adopted by the department.

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

8 **Sec. 39.** RCW 82.14.530 and 2015 3rd sp.s. c 24 s 701 are each  
9 amended to read as follows:

10 (1)(a) A county legislative authority may submit an authorizing  
11 proposition to the county voters at a special or general election  
12 and, if the proposition is approved by a majority of persons voting,  
13 impose a sales and use tax in accordance with the terms of this  
14 chapter. The title of each ballot measure must clearly state the  
15 purposes for which the proposed sales and use tax will be used. The  
16 rate of tax under this section may not exceed one-tenth of one  
17 percent of the selling price in the case of a sales tax, or value of  
18 the article used, in the case of a use tax.

19 ~~(b)((i) If a county with a population of one million five~~  
20 ~~hundred thousand or less))~~ If a county has not imposed the full tax  
21 rate authorized under (a) of this subsection within two years of  
22 October 9, 2015, any city legislative authority located in that  
23 county may submit an authorizing proposition to the city voters at a  
24 special or general election and, if the proposition is approved by a  
25 majority of persons voting, impose the whole or remainder of the  
26 sales and use tax rate in accordance with the terms of this chapter.  
27 The title of each ballot measure must clearly state the purposes for  
28 which the proposed sales and use tax will be used. The rate of tax  
29 under this section may not exceed one-tenth of one percent of the  
30 selling price in the case of a sales tax, or value of the article  
31 used, in the case of a use tax.

32 ~~((ii) If a county with a population of greater than one million~~  
33 ~~five hundred thousand has not imposed the full tax authorized under~~  
34 ~~(a) of this subsection within three years of October 9, 2015, any~~  
35 ~~city legislative authority located in that county may submit an~~  
36 ~~authorizing proposition to the city voters at a special or general~~  
37 ~~election and, if the proposition is approved by a majority of persons~~  
38 ~~voting, impose the whole or remainder of the sales and use tax rate~~  
39 ~~in accordance with the terms of this chapter. The title of each~~

1 ~~ballot measure must clearly state the purposes for which the proposed~~  
2 ~~sales and use tax will be used. The rate of tax under this section~~  
3 ~~may not exceed one-tenth of one percent of the selling price in the~~  
4 ~~case of a sales tax, or value of the article used, in the case of a~~  
5 ~~use tax.)~~

6 (c) If a county imposes a tax authorized under (a) of this  
7 subsection after a city located in that county has imposed the tax  
8 authorized under (b) of this subsection, the county must provide a  
9 credit against its tax for the full amount of tax imposed by a city.

10 (d) The taxes authorized in this subsection are in addition to  
11 any other taxes authorized by law and must be collected from persons  
12 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
13 the occurrence of any taxable event within the county for a county's  
14 tax and within a city for a city's tax.

15 (2)(a) Notwithstanding subsection (4) of this section, a minimum  
16 of sixty percent of the moneys collected under this section must be  
17 used for the following purposes:

18 (i) Constructing affordable housing, which may include new units  
19 of affordable housing within an existing structure, and facilities  
20 providing housing-related services; or

21 (ii) Constructing mental and behavioral health-related  
22 facilities; or

23 (iii) Funding the operations and maintenance costs of new units  
24 of affordable housing and facilities where housing-related programs  
25 are provided, or newly constructed evaluation and treatment centers.

26 (b) The affordable housing and facilities providing housing-  
27 related programs in (a)(i) of this subsection may only be provided to  
28 persons within any of the following population groups whose income is  
29 at or below sixty percent of the median income of the county imposing  
30 the tax:

31 (i) Persons with mental illness;

32 (ii) Veterans;

33 (iii) Senior citizens;

34 (iv) Homeless, or at-risk of being homeless, families with  
35 children;

36 (v) Unaccompanied homeless youth or young adults;

37 (vi) Persons with disabilities; or

38 (vii) Domestic violence survivors.

39 (c) The remainder of the moneys collected under this section must  
40 be used for the operation, delivery, or evaluation of mental and



1 behavioral health treatment programs and services or housing-related  
2 services.

3 (3) A county that imposes the tax under this section must consult  
4 with a city before the county may construct any of the facilities  
5 authorized under subsection (2)(a) of this section within the city  
6 limits.

7 (4) A county that has not imposed the tax authorized under RCW  
8 82.14.460 prior to October 9, 2015, but imposes the tax authorized  
9 under this section after a city in that county has imposed the tax  
10 authorized under RCW 82.14.460 prior to October 9, 2015, must enter  
11 into an interlocal agreement with that city to determine how the  
12 services and provisions described in subsection (2) of this section  
13 will be allocated and funded in the city.

14 (5) To carry out the purposes of subsection (2)(a) and (b) of  
15 this section, the legislative authority of the county or city  
16 imposing the tax has the authority to issue general obligation or  
17 revenue bonds within the limitations now or hereafter prescribed by  
18 the laws of this state, and may use, and is authorized to pledge, up  
19 to fifty percent of the moneys collected under this section for  
20 repayment of such bonds, in order to finance the provision or  
21 construction of affordable housing, facilities where housing-related  
22 programs are provided, or evaluation and treatment centers described  
23 in subsection (2)(a)(iii) of this section.

24 (6)(a) Moneys collected under this section may be used to offset  
25 reductions in state or federal funds for the purposes described in  
26 subsection (2) of this section.

27 (b) No more than ten percent of the moneys collected under this  
28 section may be used to supplant existing local funds.

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