7

8

## SENATE BILL 5440

State of Washington 66th Legislature 2019 Regular Session

By Senators Palumbo, Nguyen, Liias, and Saldaña

- 1 AN ACT Relating to the housing element of comprehensive plans
- 2 required under the growth management act; amending RCW 36.70A.030;
- 3 and reenacting and amending RCW 36.70A.070.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 36.70A.030 and 2017 3rd sp.s. c 18 s 2 are each amended to read as follows:
  - Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
- 9 (1) "Adopt a comprehensive land use plan" means to enact a new 10 comprehensive land use plan or to update an existing comprehensive 11 land use plan.
- 12 (2) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, 13 14 dairy, apiary, vegetable, or animal products or of berries, grain, 15 hay, straw, turf, seed, Christmas trees not subject to the excise tax 16 imposed by RCW 84.33.100 through 84.33.140, finfish in upland 17 hatcheries, or livestock, and that has long-term commercial 18 significance for agricultural production.
- 19 (3) "City" means any city or town, including a code city.
- 20 (4) "Comprehensive land use plan," "comprehensive plan," or 21 "plan" means a generalized coordinated land use policy statement of

p. 1 SB 5440

the governing body of a county or city that is adopted pursuant to this chapter.

- (5) "Critical areas" include the following areas and ecosystems:

  (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.
  - (6) "Department" means the department of commerce.
- (7) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.
- (8) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below thirty percent of the median family income adjusted for family size, for the county where the household is located, as reported by the United States department of housing and urban development.
- (9) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability

p. 2 SB 5440

to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.

- ((<del>(9)</del>)) <u>(10)</u> "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.
- $((\frac{10}{10}))$  (11) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.
- $((\frac{(11)}{(11)}))$  <u>(12)</u> "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.
- ((<del>12)</del>)) (13) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the household is located, as reported by the United States department of housing and urban development.
- 29 <u>(14)</u> "Minerals" include gravel, sand, and valuable metallic 30 substances.
- 31 ((<del>(13)</del>)) <u>(15)</u> "Public facilities" include streets, roads, 32 highways, sidewalks, street and road lighting systems, traffic 33 signals, domestic water systems, storm and sanitary sewer systems, 34 parks and recreational facilities, and schools.
  - (((14))) (16) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.
- $((\frac{(15)}{(15)}))$  <u>(17)</u> "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance

p. 3 SB 5440

under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.

- (((16))) (18) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:
- (a) In which open space, the natural landscape, and vegetation predominate over the built environment;
- (b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;
- 11 (c) That provide visual landscapes that are traditionally found 12 in rural areas and communities;
- 13 (d) That are compatible with the use of the land by wildlife and 14 for fish and wildlife habitat;
- 15 (e) That reduce the inappropriate conversion of undeveloped land 16 into sprawling, low-density development;
  - (f) That generally do not require the extension of urban governmental services; and
- 19 (g) That are consistent with the protection of natural surface 20 water flows and groundwater and surface water recharge and discharge 21 areas.
  - ((\(\frac{(17)}{17}\))) (19) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.
  - ((<del>(18)</del>)) (20) "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems, fire and police protection services, transportation and public transit services, and other public utilities associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

p. 4 SB 5440

 $((\frac{19}{19}))$  (21) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

(((20))) (22) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

((<del>(21)</del>)) (23) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

 $((\frac{(22)}{)})$  <u>(24)</u> "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

(((23))) (25) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below fifty percent of the median family income adjusted for family size, for the county where the household is located, as reported by the United States department of housing and urban development.

(26) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater

p. 5 SB 5440

treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of

6

9

10

11

12

13

1415

16

1718

19

2021

22

2324

25

2627

28

2930

31

32

33

34

35

36

37

38 39 wetlands.

Sec. 2. RCW 36.70A.070 and 2017 3rd sp.s. c 18 s 4 and 2017 3rd sp.s. c 16 s 4 are each reenacted and amended to read as follows:

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

- land use element designating the proposed general (1)distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth. The land use element shall provide for protection of the quality and quantity of groundwater used for public water supplies. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use element shall review drainage, flooding, and storm water run-off in the area and nearby jurisdictions and provide guidance for corrective actions to mitigate or cleanse those discharges that pollute waters of the state, including Puget Sound or waters entering Puget Sound.
- (2) (a) A housing element ensuring the vitality and character of established residential neighborhoods that: ((-(a))) (i) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth and quantifies existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, including

p. 6 SB 5440

housing stock condition, overcrowding, and comparison of level of 1 payment with ability to pay; ((\(\frac{(b)}{(b)}\)) (ii) includes a statement of 2 goals, policies, objectives, and mandatory provisions for the 3 preservation, improvement, and development of housing, including 4 single-family residences;  $((\frac{c}{c}))$  <u>(iii) includes policies and</u> 5 6 programs to conserve and preserve existing market rate and subsidized 7 affordable housing and existing manufactured home parks. In cities with populations of more than eighty thousand, the housing element 8 must include policies, regulations, and programs to minimize 9 10 displacement; (iv) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-11 12 income families, manufactured housing, multifamily housing, and group homes and foster care facilities ((; and (d))). If the inventory in 13 (a) (i) of this subsection demonstrates a lack of sufficient sites to 14 15 accommodate housing needs for extremely low-income, very low-income, and low-income households, the housing element must include a program 16 17 to make sufficient sites available at multifamily densities available for development; (v) makes adequate provisions for existing and 18 19 projected needs of all economic segments of the community. counties and cities subject to the review and evaluation requirements 20 of RCW 36.70A.215, any revision to the housing element shall include 21 22 consideration of prior review and evaluation reports and reasonable measures identified; (vi) analyzes population and 23 employment trends, with documentation of projections; (vii) provides 24 25 a zone where emergency shelters are permitted without a discretionary review process; (viii) includes an eight-year schedule of programs 26 27 and actions to implement the policies of the housing element and to accommodate the planned housing units, including incentives and 28 funding for affordable housing; and (ix) reviews and evaluates the 29 30 previous housing element, including an evaluation of success in attaining planned housing units, achievement of goals and policies, 31 32 and implementation of the schedule of programs and actions.

(b) The department must review and, if compliant with the requirements of this subsection, approve the housing element of each planning jurisdiction after each periodic review required under RCW 36.70A.130.

3334

3536

37

3839

40

(3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the

p. 7 SB 5440

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

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

- (5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
- (a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
- (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural economic advancement, densities, and uses that are not characterized by urban growth and that are consistent with rural character.
- (c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:
  - (i) Containing or otherwise controlling rural development;
- 39 (ii) Assuring visual compatibility of rural development with the 40 surrounding rural area;

p. 8 SB 5440

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

- (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources; and
- (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.
- (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:
- (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
- (A) A commercial, industrial, residential, shoreline, or mixeduse area are subject to the requirements of (d)(iv) of this subsection, but are not subject to the requirements of (c)(ii) and (iii) of this subsection.
- (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.
- (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);
- (ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;

p. 9 SB 5440

(iii) The intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses that principally designed to serve the existing and projected rural population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of smallscale businesses as long as those small-scale businesses conform with the rural character of the area as defined by the local government according to RCW 36.70A.030(( $\frac{(16)}{(16)}$ ))  $\frac{(18)}{(18)}$ . Rural counties may also allow new small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business conforms to the rural character of the area as defined by the local government according to RCW 36.70A.030( $(\frac{(16)}{(16)})$ )  $\underline{(18)}$ . Public services and public facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not permit low-density sprawl;

1

2

3

4

5

7

8

9

11

12

13

1415

16

17

18

19

2021

22

23

2425

26

27

28

29

30 31

32

33

34

3536

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

- (v) For purposes of (d) of this subsection, an existing area or 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;

p. 10 SB 5440

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

- (C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).
- (e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 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:
  - (i) Land use assumptions used in estimating travel;
  - (ii) Estimated traffic impacts to state-owned transportation facilities resulting from land use assumptions to assist the department of transportation in monitoring the performance of state facilities, to plan improvements for the facilities, and to assess the impact of land-use decisions on state-owned transportation facilities;
    - (iii) Facilities and services needs, including:
  - (A) An inventory of air, water, and ground transportation facilities and services, including transit alignments and general aviation airport facilities, to define existing capital facilities and travel levels as a basis for future planning. This inventory must include state-owned transportation facilities within the city or county's jurisdictional boundaries;
  - (B) Level of service standards for all locally owned arterials and transit routes to serve as a gauge to judge performance of the system. These standards should be regionally coordinated;
  - (C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination between the county's or city's six-year street, road, or transit program and the office of financial management's ten-year investment

p. 11 SB 5440

- program. The concurrency requirements of (b) of this subsection do
  to not apply to transportation facilities and services of statewide
  significance except for counties consisting of islands whose only
  connection to the mainland are state highways or ferry routes. In
  these island counties, state highways and ferry route capacity must
  be a factor in meeting the concurrency requirements in (b) of this
  subsection;
  - (D) Specific actions and requirements for bringing into compliance locally owned transportation facilities or services that are below an established level of service standard;
  - (E) Forecasts of traffic for at least ten years based on the adopted land use plan to provide information on the location, timing, and capacity needs of future growth;
  - (F) Identification of state and local system needs to meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW;
    - (iv) Finance, including:

8

9

10

1112

13

14

1516

17

18

1920

2122

23

2425

26

27

2829

30 31

32

33

34

3536

- (A) An analysis of funding capability to judge needs against probable funding resources;
- (B) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems. The multiyear financing plan should be coordinated with the ten-year investment program developed by the office of financial management as required by RCW 47.05.030;
- (C) If probable funding falls short of meeting identified needs, a discussion of how additional funding will be raised, or how land use assumptions will be reassessed to ensure that level of service standards will be met;
- (v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;
  - (vi) Demand-management strategies;
- (vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.

p. 12 SB 5440

- (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride-sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city.
  - (c) The transportation element described in this subsection (6), the six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.

- (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.
- (8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.
- (9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and

p. 13 SB 5440

- 1 distributed by the state at least two years before local government
- 2 must update comprehensive plans as required in RCW 36.70A.130.

--- END ---

p. 14 SB 5440