

SENATE BILL REPORT

HB 1769

As Reported by Senate Committee On:
Housing & Local Government, February 23, 2022

Title: An act relating to community municipal corporations.

Brief Description: Concerning community municipal corporations.

Sponsors: Representatives Duerr, Springer, Fitzgibbon, Gregerson, Walen, Macri and Slatter.

Brief History: Passed House: 2/12/22, 71-27.

Committee Activity: Housing & Local Government: 2/22/22, 2/23/22 [DP, DNP, w/oRec].

Brief Summary of Bill

- Provides that the terms of existence of a community municipal corporation is four years after its authorization, or 30 days after the effective date of the bill, whichever is sooner.
- Repeals provisions allowing the creation of a community municipal corporation following annexation of an unincorporated area or the consolidation of two or more cities.
- Repeals provisions related to the membership and powers of the community councils of community municipal corporations as of January 1, 2023.

SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

Majority Report: Do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Cleveland, Lovelett, Salomon and Trudeau.

Minority Report: Do not pass.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Fortunato, Ranking Member; Wilson, J.

Minority Report: That it be referred without recommendation.

Signed by Senators Gildon, Assistant Ranking Member; Sefzik and Warnick.

Staff: Maggie Douglas (786-7279)

Background: Unincorporated areas can be annexed to cities or towns through various methods. Among other methods, these include direct petition for annexation by property owners representing at least 60 percent of the assessed value of the property in the area proposed for annexation; a petition from a majority of voters and a majority of property owners; an election following a petition; or, with code cities, an interlocal agreement.

When an election method is used, a community municipal corporation (CMC) is eligible to be formed in the annexed area if at least one of the three conditions are met:

- if the annexed area would itself be eligible for incorporation as a city or town;
- if the annexed area has at least 300 people and at least 10 percent of the population of the annexing city; or
- if the annexed area has at least 1000 inhabitants.

A CMC may also be organized when two or more cities are consolidated.

The creation of a CMC must be approved by voters at the time of annexation, and the ballot measure concerning the annexation may also provide for the simultaneous creation of a CMC as part of a single proposition. A CMC is governed by a five-member community council. The initial members are elected concurrently with the annexation.

The initial term of a CMC is four years. An election to reauthorize the CMC for an additional four years may be held if the community council adopts a resolution for such continuation at least seven months prior to the expiration of the CMC, or if at least 10 percent of the registered voters in the service area of the CMC file a petition for the continuation of the CMC with the city council at least six months before the CMC is due to expire. The only eligible voters in the election are residents within the CMC's service area. If reauthorization is approved by voters, the CMC will continue for another four years. New councilmembers are elected at the same election that the continuation of the CMC is determined.

During its existence, the community council of a CMC must be staffed by a deputy city clerk of the annexing city and must be provided with other needed clerical and technical assistance. The community council must also be provided with a properly equipped office, if necessary. Community council members do not receive compensation. The community council's expenses must be budgeted and paid for by the annexing city.

The community council of a CMC can prevent, by vote, the application of certain

ordinances and resolutions pertaining to land, buildings, or structures that are adopted by the annexing city from applying within the CMC. These include comprehensive plans; zoning ordinances; conditional use permits, special exceptions, or variances; subdivision ordinances; subdivisions plats; and planned unit developments. For these enactments to apply within a CMC, the community council must either give its approval to the ordinance or resolution or fail to disapprove the action within 60 days of final enactment. The disapproval of an ordinance or resolution by a community council does not affect its validity in the remainder of the annexing city.

A community council of a CMC may make recommendations on a proposed comprehensive plan or other proposal that directly or indirectly affects property or land within the service area of the CMC; provide a forum for consideration of the conservation, improvement, or development of property within the service area; and advise, consult, and cooperate with the authority of the annexing city on any local matters directly or indirectly affecting the service area of the CMC.

There are currently two CMCs in Washington—the Houghton Community Council of Kirkland and the East Bellevue Community Council.

Summary of Bill: The term of existence of CMCs is four years from authorization, or until 30 days after the effective date of the bill, whichever is sooner.

Following an annexation, CMCs may no longer be organized.

Provisions related to the membership and powers of the community councils of CMCs are repealed as of January 1, 2023.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Community councils make it incredibly difficult to build affordable housing as they have an authority to veto land use decisions. They get an undemocratic ability to leverage opposition to citywide land use and growth targets and have a greater say than any other neighborhood in the city. If sunsetted, the Houghton community will still have a say in their city government, just like all other residents in the city. The CMCs prevent equal representation and as long as community councils exist, we will never achieve equity in our city. The CMCs create two versions of a city and is jurisdictional duplicity, and no one neighborhood should have more rights or privileges than another. Any of the housing or land use outcomes that the CMC boasts is a

result of city-driven policies and growth practices, and not initiated or funded by the CMC. Houghton represents 10 percent of Kirkland's population, but carries an unequal say in city governing.

CON: The Houghton community has provided affordable housing and has some of the lowest rents available for residents in the city and has provided transit oriented development. The CMC was part of the original agreement for annexing the Houghton community and should be respected. If this bill is to move forward, it should be amended to instead sunset at the end of the CMC council members' terms and include provisions to allow the CMC to incorporate as its own city. The community municipal councils allow for local representation and this takes away the people's vote.

Persons Testifying: PRO: Representative Davina Duerr, Prime Sponsor; Cynthia Stewart, League of Women Voters of WA; Lynne Robinson; Bryce Yadon, Futurewise; Kelli Curtis, Council Member, City of Kirkland; Penny Sweet, Mayor, City of Kirkland; Claudia Balducci, King County Council Member; Joseph Tovar, American Planning Association, Washington Chapter; Beverly Marcus, Eastside Committee for Fair Governance; Jennie Jaeger, Eastside Committee for Fair Governance; Chris Randels, Resident of the EBCC.

CON: Karen Levenson, GMA Advocates; Larry Toedtli, Houghton Community Council; Steve Kasner, East Bellevue Community Council; Balor (Bal) Simon, East Bellevue; Eckhart Schmidt, Witness to Agreement in 1969. Hope to Testify this time; John Kappler, Houghton Community Council; Phillip Allen.

Persons Signed In To Testify But Not Testifying: No one.