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SUBSTITUTE HOUSE BILL 1727

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State of Washington 60th Legislature 2007 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Springer, Eddy, Dunn, Pettigrew, B. Sullivan, Buri, Strow, Ahern, Orcutt, Takko, Anderson, Haler, Upthegrove, Simpson, Jarrett, Rodne, Sells, O'Brien, Newhouse, Miloscia, Hinkle, Walsh, McCune, Kagi, Williams, Lovick, Linville, Quall, McDonald, Warnick, Kristiansen, Hurst, Seaquist, Kenney and P. Sullivan)

READ FIRST TIME 02/27/2007.

- 1 AN ACT Relating to growth management planning to ensure sufficient
- 2 land and densities available to accommodate growth; and amending RCW
- 3 36.70A.070, 36.70A.090, and 36.70A.110.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 36.70A.070 and 2005 c 360 s 2 are each amended to read 6 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:
- 16 (1) A land use element designating the proposed general 17 distribution and general location and extent of the uses of land, where 18 appropriate, for agriculture, timber production, housing, commerce, 19 industry, recreation, open spaces, general aviation airports, public

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utilities, public facilities, and other land uses. The land use 1 2 element shall include population densities, building intensities, and estimates of future population growth, and shall designate a sufficient 3 quantity of land suitable for development to accommodate projected 4 population and anticipated commercial and industrial land use growth. 5 The land use element shall provide for protection of the quality and 6 quantity of ground water used for public water supplies. 7 possible, the land use element should consider utilizing urban planning 8 approaches that promote physical activity. Where applicable, the land 9 10 use element shall review drainage, flooding, and storm water run-off in the area and nearby jurisdictions and provide guidance for corrective 11 12 actions to mitigate or cleanse those discharges that pollute waters of 13 the state, including Puget Sound or waters entering Puget Sound.

- (2) A housing element ensuring the availability of a variety of residential densities and housing types and the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to ((manage)) accommodate projected growth; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (c) identifies a sufficient quantity of zoned land suitable for providing the needed housing units to accommodate existing housing needs and projected population growth, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.
- (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 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

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- 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.

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- 9 (5) Rural element. Counties shall include a rural element 10 including lands that are not designated for urban growth, agriculture, 11 forest, or mineral resources. The following provisions shall apply to 12 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 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;
 - (ii) Assuring visual compatibility of rural development with the surrounding rural area;
- 35 (iii) Reducing the inappropriate conversion of undeveloped land 36 into sprawling, low-density development in the rural area;
- 37 (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and ground water resources; and

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1 (v) Protecting against conflicts with the use of agricultural, 2 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 mixed-use area shall be subject to the requirements of (d)(iv) of this subsection, but shall not be 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;
- 36 (iii) The intensification of development on lots containing 37 isolated nonresidential uses or new development of isolated cottage 38 industries and isolated small-scale businesses that are not principally

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

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- (iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, 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, and 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 low-density sprawl;
- 31 (v) For purposes of (d) of this subsection, an existing area or 32 existing use is one that was in existence:
- 33 (A) On July 1, 1990, in a county that was initially required to 34 plan under all of the provisions of this chapter;
- 35 (B) On the date the county adopted a resolution under RCW 36.70A.040(2), in a county that is planning under all of the provisions 37 of this chapter under RCW 36.70A.040(2); or

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- 1 (C) On the date the office of financial management certifies the 2 county's population as provided in RCW 36.70A.040(5), in a county that 3 is planning under all of the provisions of this chapter pursuant to RCW 4 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.
- 9 (6) A transportation element that implements, and is consistent 10 with, the land use element.
- 11 (a) The transportation element shall include the following 12 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 landuse 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 department of transportation's six-year investment program. The concurrency requirements of (b) of this subsection do 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:

- 16 (A) An analysis of funding capability to judge needs against 17 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 ((six-year)) ten-year improvement program developed by the department of transportation 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.

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(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 For the purposes of this subsection (6) management strategies. "concurrent with the development" shall mean 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.

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- (c) The transportation element described in this subsection (6), and 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 plan 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. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, work force, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. 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.

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- (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 distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.
- **Sec. 2.** RCW 36.70A.090 and 1990 1st ex.s. c 17 s 9 are each 12 amended to read as follows:

A comprehensive plan should provide for innovative land use management techniques, including, but not limited to, density bonuses, cluster housing, planned unit developments, zoning for mixed-use development, accessory dwelling units, and the transfer of development rights.

- **Sec. 3.** RCW 36.70A.110 and 2004 c 206 s 1 are each amended to read 19 as follows:
 - (1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth whether or not the urban growth area includes a city, or is adjacent to territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350.
 - (2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve.

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

Within one year of July 1, 1990, each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located within its boundaries. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

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

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

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- (5) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and RCW 36.70A.110. Such action may be appealed to the appropriate growth management hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.
- (6) Each county shall include designations of urban growth areas in its comprehensive plan.
- (7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.
- (8) It is recognized that within each county, or between two counties, there may be one or more subregional areas where the housing and job markets cross jurisdictional boundaries of two or more adjacent local governments. In these subregional areas, cities and counties may use an optional process to establish a subregion of adjacent cities and counties that would be the basis for ensuring a sufficient amount of housing to meet the needs of the projected population growth and the demands from anticipated commercial and industrial land uses within that subregion. The subregion, through an interlocal agreement under chapter 39.34 RCW, would identify how best to accommodate the projected population growth for those jurisdictions within the subregion. The

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- 1 projected population growth would be established for participating
- 2 jurisdictions using existing processes to establish the subregion
- 3 target. The interlocal agreement would identify the adjusted and
- 4 agreed upon projected population growth for each of the participating

5 <u>jurisdictions</u>.

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