
HOUSE BILL 2830

State of Washington 60th Legislature 2008 Regular Session

By Representatives Simpson, Green, Miloscia, Williams, Wood, and Ormsby

Read first time 01/16/08. Referred to Committee on Local Government.

1 AN ACT Relating to promoting housing affordability through
2 financial assistance programs; amending RCW 43.160.060, 43.160.230, and
3 47.26.282; reenacting and amending RCW 43.155.070; creating a new
4 section; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 promote the achievement of statewide growth management act housing
8 affordability goals through grants and loans, transportation-oriented
9 development, infrastructure projects, zoning ordinances, local
10 improvement district or tax increment financing, and economic
11 development.

12 **Sec. 2.** RCW 43.155.070 and 2007 c 341 s 24 and 2007 c 231 s 2 are
13 each reenacted and amended to read as follows:

14 (1) To qualify for loans or pledges under this chapter the board
15 must determine that a local government meets all of the following
16 conditions:

17 (a) The city or county must be imposing a tax under chapter 82.46
18 RCW at a rate of at least one-quarter of one percent;

1 (b) The local government must have developed a capital facility
2 plan; and

3 (c) The local government must be using all local revenue sources
4 which are reasonably available for funding public works, taking into
5 consideration local employment and economic factors.

6 (2) Except where necessary to address a public health need or
7 substantial environmental degradation, a county, city, or town planning
8 under RCW 36.70A.040 must have adopted a comprehensive plan, including
9 a capital facilities plan element, and development regulations as
10 required by RCW 36.70A.040. This subsection does not require any
11 county, city, or town planning under RCW 36.70A.040 to adopt a
12 comprehensive plan or development regulations before requesting or
13 receiving a loan or loan guarantee under this chapter if such request
14 is made before the expiration of the time periods specified in RCW
15 36.70A.040. A county, city, or town planning under RCW 36.70A.040
16 which has not adopted a comprehensive plan and development regulations
17 within the time periods specified in RCW 36.70A.040 is not prohibited
18 from receiving a loan or loan guarantee under this chapter if the
19 comprehensive plan and development regulations are adopted as required
20 by RCW 36.70A.040 before submitting a request for a loan or loan
21 guarantee.

22 (3) In considering awarding loans for public facilities to special
23 districts requesting funding for a proposed facility located in a
24 county, city, or town planning under RCW 36.70A.040, the board shall
25 consider whether the county, city, or town planning under RCW
26 36.70A.040 in whose planning jurisdiction the proposed facility is
27 located has adopted a comprehensive plan and development regulations as
28 required by RCW 36.70A.040.

29 (4) The board shall only award loans to local governments if the
30 jurisdiction has adopted a housing ordinance that includes at least two
31 of the following:

32 (a) A plan to more effectively enhance the availability of new
33 affordable housing and implementation of the housing element adopted
34 under chapter 36.70A RCW;

35 (b) A plan for transportation-oriented development that will serve
36 housing;

37 (c) A plan to fulfill the affordability provisions specified in a
38 housing element adopted under chapter 36.70A RCW;

1 (d) A plan for additional infrastructure capacity to increase
2 housing affordability and affordable housing inventory, including
3 adding infrastructure capacity for infill in established residential
4 neighborhoods; or

5 (e) A plan for greater equity between employment projections for
6 the jurisdiction and the number of housing units needed for the
7 projected workforce.

8 (5) The board shall develop a priority process for public works
9 projects as provided in this section. The intent of the priority
10 process is to maximize the value of public works projects accomplished
11 with assistance under this chapter. The board shall attempt to assure
12 a geographical balance in assigning priorities to projects. The board
13 shall consider at least the following factors in assigning a priority
14 to a project:

15 (a) Whether the local government receiving assistance has
16 experienced severe fiscal distress resulting from natural disaster or
17 emergency public works needs;

18 (b) Except as otherwise conditioned by RCW 43.155.110, whether the
19 entity receiving assistance is a Puget Sound partner, as defined in RCW
20 90.71.010;

21 (c) Whether the project is referenced in the action agenda
22 developed by the Puget Sound partnership under RCW 90.71.310;

23 (d) Whether the project is critical in nature and would affect the
24 health and safety of a great number of citizens;

25 (e) Whether the applicant has developed and adhered to guidelines
26 regarding its permitting process for those applying for development
27 permits consistent with section 1(2), chapter 231, Laws of 2007;

28 (f) The cost of the project compared to the size of the local
29 government and amount of loan money available;

30 (g) The number of communities served by or funding the project;

31 (h) Whether the project is located in an area of high unemployment,
32 compared to the average state unemployment;

33 (i) Whether the project is the acquisition, expansion, improvement,
34 or renovation by a local government of a public water system that is in
35 violation of health and safety standards, including the cost of
36 extending existing service to such a system;

37 (j) The relative benefit of the project to the community,

1 considering the present level of economic activity in the community and
2 the existing local capacity to increase local economic activity in
3 communities that have low economic growth; and

4 (k) Other criteria that the board considers advisable.

5 ~~((+5))~~ (6) Existing debt or financial obligations of local
6 governments shall not be refinanced under this chapter. Each local
7 government applicant shall provide documentation of attempts to secure
8 additional local or other sources of funding for each public works
9 project for which financial assistance is sought under this chapter.

10 ~~((+6))~~ (7) Before November 1st of each year, the board shall
11 develop and submit to the appropriate fiscal committees of the senate
12 and house of representatives a description of the loans made under RCW
13 43.155.065, 43.155.068, and subsection ~~((+9))~~ (10) of this section
14 during the preceding fiscal year and a prioritized list of projects
15 which are recommended for funding by the legislature, including one
16 copy to the staff of each of the committees. The list shall include,
17 but not be limited to, a description of each project and recommended
18 financing, the terms and conditions of the loan or financial guarantee,
19 the local government jurisdiction and unemployment rate, demonstration
20 of the jurisdiction's critical need for the project and documentation
21 of local funds being used to finance the public works project. The
22 list shall also include measures of fiscal capacity for each
23 jurisdiction recommended for financial assistance, compared to
24 authorized limits and state averages, including local government sales
25 taxes; real estate excise taxes; property taxes; and charges for or
26 taxes on sewerage, water, garbage, and other utilities.

27 ~~((+7))~~ (8) The board shall not sign contracts or otherwise
28 financially obligate funds from the public works assistance account
29 before the legislature has appropriated funds for a specific list of
30 public works projects. The legislature may remove projects from the
31 list recommended by the board. The legislature shall not change the
32 order of the priorities recommended for funding by the board.

33 ~~((+8))~~ (9) Subsection ~~((+7))~~ (8) of this section does not apply
34 to loans made under RCW 43.155.065, 43.155.068, and subsection ~~((+9))~~
35 (10) of this section.

36 ~~((+9))~~ (10) Loans made for the purpose of capital facilities plans
37 shall be exempted from subsection ~~((+7))~~ (8) of this section.

1 ~~((10))~~ (11) To qualify for loans or pledges for solid waste or
2 recycling facilities under this chapter, a city or county must
3 demonstrate that the solid waste or recycling facility is consistent
4 with and necessary to implement the comprehensive solid waste
5 management plan adopted by the city or county under chapter 70.95 RCW.

6 ~~((11))~~ (12) After January 1, 2010, any project designed to
7 address the effects of storm water or wastewater on Puget Sound may be
8 funded under this section only if the project is not in conflict with
9 the action agenda developed by the Puget Sound partnership under RCW
10 90.71.310.

11 **Sec. 3.** RCW 43.160.060 and 2007 c 231 s 3 are each amended to read
12 as follows:

13 The board is authorized to make direct loans to political
14 subdivisions of the state and to federally recognized Indian tribes for
15 the purposes of assisting the political subdivisions and federally
16 recognized Indian tribes in financing the cost of public facilities,
17 including development of land and improvements for public facilities,
18 project-specific environmental, capital facilities, land use,
19 permitting, feasibility, and marketing studies and plans; project
20 design, site planning, and analysis; project debt and revenue impact
21 analysis; as well as the construction, rehabilitation, alteration,
22 expansion, or improvement of the facilities. A grant may also be
23 authorized for purposes designated in this chapter, but only when, and
24 to the extent that, a loan is not reasonably possible, given the
25 limited resources of the political subdivision or the federally
26 recognized Indian tribe and the finding by the board that financial
27 circumstances require grant assistance to enable the project to move
28 forward. However, at least ten percent of all financial assistance
29 provided by the board in any biennium shall consist of grants to
30 political subdivisions and federally recognized Indian tribes.

31 Application for funds shall be made in the form and manner as the
32 board may prescribe. In making grants or loans the board shall conform
33 to the following requirements:

34 (1) The board shall not provide financial assistance:

35 (a) For a project the primary purpose of which is to facilitate or
36 promote a retail shopping development or expansion.

1 (b) For any project that evidence exists would result in a
2 development or expansion that would displace existing jobs in any other
3 community in the state.

4 (c) For the acquisition of real property, including buildings and
5 other fixtures which are a part of real property.

6 (d) For a project the primary purpose of which is to facilitate or
7 promote gambling.

8 (e) For projects within a political subdivision or a federally
9 recognized Indian tribe that have not adopted a housing ordinance that
10 includes at least two of the following:

11 (i) A plan to more effectively enhance the availability of new
12 affordable housing and implementation of the housing element adopted
13 under chapter 36.70A RCW;

14 (ii) A plan for transportation-oriented development that will serve
15 housing;

16 (iii) A plan to fulfill the affordability provisions specified in
17 a housing element adopted under chapter 36.70A RCW;

18 (iv) A plan for additional infrastructure capacity to increase
19 housing affordability and affordable housing inventory, including
20 adding infrastructure capacity for infill in established residential
21 neighborhoods; or

22 (v) A plan for greater equity between employment projections for
23 the jurisdiction and the number of housing units needed for the
24 projected workforce.

25 (2) The board shall only provide financial assistance:

26 (a) For those projects which would result in specific private
27 developments or expansions (i) in manufacturing, production, food
28 processing, assembly, warehousing, advanced technology, research and
29 development, and industrial distribution; (ii) for processing
30 recyclable materials or for facilities that support recycling,
31 including processes not currently provided in the state, including but
32 not limited to, de-inking facilities, mixed waste paper, plastics, yard
33 waste, and problem-waste processing; (iii) for manufacturing facilities
34 that rely significantly on recyclable materials, including but not
35 limited to waste tires and mixed waste paper; (iv) which support the
36 relocation of businesses from nondistressed urban areas to rural
37 counties or rural natural resources impact areas; or (v) which

1 substantially support the trading of goods or services outside of the
2 state's borders.

3 (b) For projects which it finds will improve the opportunities for
4 the successful maintenance, establishment, or expansion of industrial
5 or commercial plants or will otherwise assist in the creation or
6 retention of long-term economic opportunities.

7 (c) When the application includes convincing evidence that a
8 specific private development or expansion is ready to occur and will
9 occur only if the public facility improvement is made.

10 (3) The board shall prioritize each proposed project according to:

11 (a) The relative benefits provided to the community by the jobs the
12 project would create, not just the total number of jobs it would create
13 after the project is completed and according to the unemployment rate
14 in the area in which the jobs would be located;

15 (b) The rate of return of the state's investment, that includes the
16 expected increase in state and local tax revenues associated with the
17 project; and

18 (c) Whether the applicant has developed and adhered to guidelines
19 regarding its permitting process for those applying for development
20 permits consistent with section 1(2), chapter 231, Laws of 2007.

21 (4) A responsible official of the political subdivision or the
22 federally recognized Indian tribe shall be present during board
23 deliberations and provide information that the board requests.

24 Before any financial assistance application is approved, the
25 political subdivision or the federally recognized Indian tribe seeking
26 the assistance must demonstrate to the community economic
27 revitalization board that no other timely source of funding is
28 available to it at costs reasonably similar to financing available from
29 the community economic revitalization board.

30 **Sec. 4.** RCW 43.160.230 and 2007 c 231 s 4 are each amended to read
31 as follows:

32 (1) The job development fund program is created to provide grants
33 for public infrastructure projects that will stimulate job creation or
34 assist in job retention. The program is to be administered by the
35 board. The board shall establish a competitive process to request and
36 prioritize proposals and make grant awards.

1 (2) For the purposes of chapter 425, Laws of 2005, "public
2 infrastructure projects" has the same meaning as "public facilities" as
3 defined in RCW 43.160.020(11).

4 (3) The board shall conduct a statewide request for project
5 applications. The board shall apply the following criteria for
6 evaluation and ranking of applications:

7 (a) The relative benefits provided to the community by the jobs the
8 project would create, including, but not limited to: (i) The total
9 number of jobs; (ii) the total number of full-time, family wage jobs;
10 (iii) the unemployment rate in the area; and (iv) the increase in
11 employment in comparison to total community population;

12 (b) The present level of economic activity in the community and the
13 existing local financial capacity to increase economic activity in the
14 community;

15 (c) Whether the applicant has developed and adhered to guidelines
16 regarding its permitting process for those applying for development
17 permits consistent with section 1(2), chapter 231, Laws of 2007;

18 (d) The rate of return of the state's investment, that includes the
19 expected increase in state and local tax revenues associated with the
20 project;

21 (e) The lack of another timely source of funding available to
22 finance the project which would likely prevent the proposed community
23 or economic development, absent the financing available under chapter
24 425, Laws of 2005;

25 (f) The ability of the project to improve the viability of existing
26 business entities in the project area;

27 (g) Whether or not the project is a partnership of multiple
28 jurisdictions;

29 (h) Demonstration that the requested assistance will directly
30 stimulate community and economic development by facilitating the
31 creation of new jobs or the retention of existing jobs; and

32 (i) The availability of existing assets that applicants may apply
33 to projects.

34 (4) Job development fund program grants may only be awarded to
35 those applicants that have entered into or expect to enter into a
36 contract with a private developer relating to private investment that
37 will result in the creation or retention of jobs upon completion of the

1 project. Job development fund program grants shall not be provided for
2 any project where:

3 (a) The funds will not be used within the jurisdiction or
4 jurisdictions of the applicants; (~~(or)~~)

5 (b) Evidence exists that the project would result in a development
6 or expansion that would displace existing jobs in any other community
7 in the state; or

8 (c) The applicant has not adopted a housing ordinance that includes
9 at least two of the following:

10 (i) A plan to more effectively enhance the availability of new
11 affordable housing and implementation of the housing element adopted
12 under chapter 36.70A RCW;

13 (ii) A plan for transportation-oriented development that will serve
14 housing;

15 (iii) A plan to fulfill the affordability provisions specified in
16 a housing element adopted under chapter 36.70A RCW;

17 (iv) A plan for additional infrastructure capacity to increase
18 housing affordability and affordable housing inventory, including
19 adding infrastructure capacity for infill in established residential
20 neighborhoods; or

21 (v) A plan for greater equity between employment projections for
22 the jurisdiction and the number of housing units needed for the
23 projected workforce.

24 (5) The board shall, with the joint legislative audit and review
25 committee, develop performance criteria for each grant and evaluation
26 criteria to be used to evaluate both how well successful applicants met
27 the community and economic development objectives stated in their
28 applications, and how well the job development fund program performed
29 in creating and retaining jobs.

30 **Sec. 5.** RCW 47.26.282 and 2002 c 189 s 5 are each amended to read
31 as follows:

32 (1) In any project funded by the transportation improvement board,
33 except for projects in cities having a population of less than five
34 thousand persons, and in addition to any other items required to be
35 considered by statute, the board also shall consider the land use
36 implications of the project, such as whether the programs and projects:

1 ~~((1))~~ (a) Support development in and revitalization of existing
2 downtowns;

3 ~~((2))~~ (b) Implement local comprehensive plans for rural and urban
4 residential and nonresidential densities;

5 ~~((3))~~ (c) Have land use planning and regulations encouraging
6 compact development for rural and urban residential and nonresidential
7 densities; and

8 ~~((4))~~ (d) Promote the use of multimodal transportation.

9 (2) The transportation improvement board shall only award funds to
10 jurisdictions that have adopted a housing ordinance that includes at
11 least two of the following:

12 (a) A plan to more effectively enhance the availability of new
13 affordable housing and implementation of the housing element adopted
14 under chapter 36.70A RCW;

15 (b) A plan for transportation-oriented development that will serve
16 housing;

17 (c) A plan to fulfill the affordability provisions specified in a
18 housing element adopted under chapter 36.70A RCW;

19 (d) A plan for additional infrastructure capacity to increase
20 housing affordability and affordable housing inventory, including
21 adding infrastructure capacity for infill in established residential
22 neighborhoods; or

23 (e) A plan for greater equity between employment projections for
24 the jurisdiction and the number of housing units needed for the
25 projected workforce.

26 NEW SECTION. Sec. 6. Section 4 of this act expires June 30, 2011.

--- END ---