H-1514.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 2051**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Buys and Van Werven

AN ACT Relating to increasing affordable housing opportunities in targeted areas; amending RCW 84.14.010, 84.14.040, and 84.14.060; and repealing RCW 84.14.005 and 84.14.007.

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

**Sec.**  RCW 84.14.010 and 2014 c 96 s 3 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate‑income households.

(2) ((~~"Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for branch campuses authorized under RCW 28B.45.020.~~

~~(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, or (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215.~~

~~(4) "County" means a county with an unincorporated population of at least three hundred fifty thousand.~~

~~(5)~~)) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

((~~(6)~~)) (3) "Growth management act" means chapter 36.70A RCW.

((~~(7)~~)) (4) "High cost area" means a county where the third quarter median house price for the previous year as reported by the Washington center for real estate research at Washington State University is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.

((~~(8)~~)) (5) "Household" means a single person, family, or unrelated persons living together.

((~~(9)~~)) (6) "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 project is located, as reported by the United States department of housing and urban development. For cities located in high‑cost areas, "low‑income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.

((~~(10)~~)) (7) "Moderate‑income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high‑cost areas, "moderate‑income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

((~~(11)~~)) (8) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

((~~(12)~~)) (9) "Owner" means the property owner of record.

((~~(13)~~)) (10) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

((~~(14)~~)) (11) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

((~~(15)~~)) (12) "Residential targeted area" means an area ((~~within an urban center or urban growth area~~)) that has been designated by the governing authority as a residential targeted area in accordance with this chapter. ((~~With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.~~

~~(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.~~

~~(17)~~)) (13) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

((~~(18) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:~~

~~(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;~~

~~(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and~~

~~(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.~~))

**Sec.**  RCW 84.14.040 and 2014 c 96 s 4 are each amended to read as follows:

(1) The following criteria must be met before an area may be designated as a residential targeted area:

(a) ((~~The area must be within an urban center, as determined by the governing authority;~~

~~(b)~~)) The area must lack, as determined by the governing authority, sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the ((~~urban center~~)) area, if the affordable, desirable, attractive, and livable places to live were available; and

((~~(c)~~)) (b) The providing of additional housing opportunity, including affordable housing, in the area, as determined by the governing authority, will assist in achieving one or more of the stated purposes of this chapter((~~; and~~

~~(d) If the residential targeted area is designated by a county, the area must be located in an unincorporated area of the county that is within an urban growth area under RCW 36.70A.110 and the area must be: (i) In a rural county, served by a sewer system and designated by a county prior to January 1, 2013; or (ii) in a county that includes a campus of an institution of higher education, as defined in RCW 28B.92.030, where at least one thousand two hundred students live on campus during the academic year~~)).

(2) For the purpose of designating a residential targeted area or areas, the governing authority may adopt a resolution of intention to so designate an area as generally described in the resolution. The resolution must state the time and place of a hearing to be held by the governing authority to consider the designation of the area and may include such other information pertaining to the designation of the area as the governing authority determines to be appropriate to apprise the public of the action intended.

(3) The governing authority must give notice of a hearing held under this chapter by publication of the notice once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in a paper having a general circulation in the city or county where the proposed residential targeted area is located. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated as a residential targeted area.

(4) Following the hearing, or a continuance of the hearing, the governing authority may designate all or a portion of the area described in the resolution of intent as a residential targeted area if it finds, in its sole discretion, that the criteria in subsections (1) through (3) of this section have been met.

(5) After designation of a residential targeted area, the governing authority must adopt and implement standards and guidelines to be utilized in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(a) Application process and procedures;

(b) Requirements that address demolition of existing structures and site utilization; and

(c) Building requirements that may include elements addressing parking, height, density, environmental impact, and compatibility with the existing surrounding property and such other amenities as will attract and keep permanent residents and that will properly enhance the livability of the residential targeted area in which they are to be located.

(6) The governing authority may adopt and implement, either as conditions to eight‑year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an unincorporated area of a county, a property owner seeking tax incentives under this chapter must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households. In the case of multiunit housing intended exclusively for owner occupancy, the minimum requirement of this subsection (6) may be satisfied solely through housing affordable to moderate-income households.

**Sec.**  RCW 84.14.060 and 2014 c 96 s 5 are each amended to read as follows:

((~~(1)~~)) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

((~~(a)~~)) (1) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

((~~(b)~~)) (2) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in RCW 84.14.020;

((~~(c)~~)) (3) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

((~~(d)~~)) (4) The owner has complied with all standards and guidelines adopted by the city or county under this chapter; and

((~~(e)~~)) (5) The site is located in a residential targeted area ((~~of an urban center or urban growth area~~)) that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040.

((~~(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).~~

~~(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.~~))

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 84.14.005 (Findings) and 2007 c 430 s 1 & 1995 c 375 s 1; and

(2)RCW 84.14.007 (Purpose) and 2014 c 96 s 2, 2012 c 194 s 1, 2007 c 430 s 2, & 1995 c 375 s 2.

**--- END ---**