

HOUSE BILL REPORT

ESHB 1576

As Passed Legislature

Title: An act relating to buildable lands.

Brief Description: Modifying buildable lands under growth management.

Sponsors: By House Committee on Government Reform & Land Use (originally sponsored by Representatives Sherstad, Cairnes, Mulliken, Reams, Koster, Mielke, Dunn, McMorris, Pennington, Sheahan and Thompson).

Brief History:

Committee Activity:

Government Reform & Land Use: 2/12/97, 2/20/97 [DPS];
Appropriations: 3/7/97, 3/8/97 [DPS(GRLU)].

Floor Activity:

Passed House: 3/17/97, 62-36.
Passed Legislature.

HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Sherstad, Vice Chairman; Bush; Mielke; Mulliken and Thompson.

Minority Report: Do not pass. Signed by 4 members: Representatives Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Fisher and Gardner.

Staff: Joan Elgee (786-7135).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Government Reform & Land Use be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Dyer; Lambert; Lisk; Mastin; McMorris; Parlette; D. Schmidt; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 13 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Grant; Keiser; Kenney; Kessler; Linville; Poulsen; Regala and Tokuda.

Staff: Jim Lux (786-7152).

Background: The Growth Management Act (GMA) was enacted in 1990 and 1991. A county meeting certain population and growth criteria is required to plan under the GMA. A county may also bring itself within the GMA planning requirements by resolution.

The primary planning requirement under the GMA is the adoption of a comprehensive plan. A plan must include, among other things, a land use element, a housing element, and a transportation element. Goals are set forth to guide the adoption of comprehensive plans. These include the encouragement of development in urban areas and the reduction of sprawl.

A comprehensive plan must include designations of urban growth areas within which urban growth shall be encouraged and outside of which growth may occur only if it is non-urban. Urban growth areas in the county must include land areas and densities sufficient to accommodate the urban growth within a range of population that is projected over the next 20 years. A county may consider a reasonable land market supply and other local factors when designating urban growth areas.

Each county must review its urban growth areas at least every 10 years. The comprehensive plan and densities permitted must be revised to accommodate the urban growth projected to occur in the succeeding 20-year period. At least once every 10 years, the Office of Financial Management prepares 20-year population projections for each county.

Summary of Bill: The Legislature finds that land use planning needs to ensure that an adequate supply of land appropriate for development is actually available for development. Merely regulating land to allow for development is insufficient. Further, local governments need to analyze whether sufficient land exists to provide for both residential and nonresidential needs.

The responsibility to accommodate urban growth is placed on cities as well as counties.

Upon the 10 year review of an urban growth area or any other review, but at least by July 1, 1999, specified counties must:

- inventory the supply of lands available for development within the urban growth area;
- determine the density of development likely to occur on the inventoried lands;
- determine the actual density and the actual average mix of types of development which have occurred within the urban growth area since the last review or five years, whichever is greater;
- analyze housing need by type and density range to determine the amount of land needed for each needed housing type for the next 20 years;
- conduct an analysis of nonresidential development needed to serve the commercial, office, retail, industrial, and public service and facility needs for the next 20 years; and
- compare the inventory with the needs.

The provisions apply to King, Pierce, Snohomish, Clark, Kitsap, and Thurston counties.

Lands available for development include both vacant land and developed land which is likely to be redeveloped. Land which is developed with a building occupied and habitable with an assessed value greater than the assessed value of the land may not be considered developed land likely to be redeveloped. Lands must be 1) outside critical areas; 2) serviced by necessary utilities or the capital facilities element of the comprehensive plan; and 3) capable of being developed without causing the service level of a transportation facility to decline below the transportation element in the comprehensive plan.

If a review indicates that the urban growth area does not contain sufficient lands to accommodate needs, the *county* must either (a) amend its urban growth area; (b) amend its comprehensive plan or development regulations to include new, incentive-based measures that demonstrably increase the likelihood that development will occur at densities sufficient to accommodate the projected needs without expansion of the urban growth area; or (c) any combination of (a) or (b). If the county adopts incentive-based measures and monitoring shows that development has not occurred at densities sufficient to accommodate the needs, the county must amend its urban growth area.

If a review indicates the urban growth area within a city or town does not contain sufficient lands to accommodate needs, the *city or town* must also amend its comprehensive plan or development regulations to include new, incentive-based measures.

Counties, cities, or towns which choose incentive-based measures must monitor and record the level of development activity and density by housing type. At a minimum, the county, city, or town must ensure that land zoned for development is in locations appropriate for the types of development identified and is zoned at density ranges that are likely to be achieved by the market.

Incentive-based measures must be part of development regulations, available to all applicable properties within the zone, not negotiated on a case-by-case basis, and may include:

- Financial incentives for higher density development, including removal of impact fees;
- Removal or easing of approval standards or procedures;
- Redevelopment and infill strategies; and
- Authorization of housing types not previously allowed.

A county and city must annually update the inventory and determinations, and at least every five years a county and city must take any steps required if the lands are insufficient to accommodate the needs.

The Office of Financial Management must prepare 20-year population projections every five years beginning in 2001, rather than every 10 years.

Appropriation: None.

Fiscal Note: Requested.

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

Testimony For: (Government Reform & Land Use) Urban growth areas have restricted the supply of land. What is available is not buildable, and the buildable lands are overly-dense. Land may be zoned 12 units per acre, but it is so expensive, megahomes are put on it at five units per acre. This is a "truth in planning" approach which looks at actual history. It will address the disconnection between people who want to preserve the rural area but not live in the densely populated city.

(Appropriations) This legislation is going to be necessary sooner or later because urban growth areas are going to have to expand in order to handle the population growth over the next 20 years. The supply of buildable lands within the urban growth areas isn't sufficient and drives up the cost of housing. The expansion of the urban growth areas will make housing more affordable. The original urban growth

area boundaries are what planners assumed would be happening in the future. Urban growth areas were always supposed to be adjusted.

Testimony Against: (Government Reform & Land Use) This tells local governments to plan for only one element. The cost of planning will go up. Cities will have to change their tracking method. You can't plot the market. The Land Use Study Commission won't finalize its piece on buildable lands until March. Cities and counties will need money to do this. This might be a reason to opt out of the GMA.

(Appropriations) The requirements of this legislation are prescriptive. These planning decisions should be made locally. The workload associated with the buildable lands inventory and the necessary Geographical Information System (GIS) equipment costs money. The equipment needed is very sophisticated and expensive. In many counties this inventory is already being developed, but it depends on the capability of the county to do the work. If the local government doesn't have GIS equipment, then the inventory and analysis is more expensive. The Land Use Study Commission is still working on its recommendations and the Legislature should wait until those recommendations become available before making decisions concerning buildable lands.

Testified: (Government Reform & Land Use) Jodi Walker, Building Industry Association of Washington (pro); Emerson Hoel (pro); George Kresovich, National Association of Industrial and Office Parks (pro); Mike Rhyerd, 1000 Friends of Washington (con, but supports some elements); Sally Feldman, Washington Association of Realtors (pro); Mayor Leonard Sanderson and Dave Williams, Association of Washington Cities (con); Scott Hazlegrove, Association of Washington Business (pro); Scott Merriman, Washington Environmental Council (concerns); George Tyler (comments); and Paul Parker and Kim Lyonaise (concerns and comments).

(Appropriations) Representative Sherstad, prime sponsor; Jodi Walker and Dick Ducharme, Building Industry Association of Washington (pro); Dave Williams, Association of Washington Cities (con); and Paul Parker, Washington State Association of Counties (with concerns).