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HOUSE BILL 2357

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State of Washington

57th Legislature

2002 Regular Session

By Representatives Veloria, Mulliken, Ogden, Fromhold, Upthegrove, Kessler, Schual-Berke, Conway and Kagi

Read first time 01/15/2002. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to community renewal; amending RCW 35.81.010,  
2 35.81.020, 35.81.030, 35.81.040, 35.81.050, 35.81.060, 35.81.070,  
3 35.81.080, 35.81.090, 35.81.100, 35.81.110, 35.81.120, 35.81.130,  
4 35.81.150, 35.81.160, 35.81.170, 35.81.180, 35.81.910, 35.82.070,  
5 35.21.730, 35.21.745, 35.57.020, and 36.100.010; adding a new section  
6 to chapter 53.08 RCW; adding new sections to chapter 35.81 RCW;  
7 creating a new section; and recodifying RCW 35.81.010 and 35.81.020.

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

9 **Sec. 1.** RCW 35.81.010 and 1991 c 363 s 41 are each amended to read  
10 as follows:

11 The following terms wherever used or referred to in this chapter,  
12 shall have the following meanings, unless a different meaning is  
13 clearly indicated by the context:

14 (1) "Agency" or "~~((urban))~~ community renewal agency" ~~((shall))~~  
15 means a public agency created ~~((by))~~ under RCW 35.81.160 or otherwise  
16 authorized to serve as a community renewal agency under this chapter.

17 (2) "Blighted area" ~~((shall))~~ means an area which, by reason of the  
18 substantial physical dilapidation, deterioration, defective  
19 construction, material, and arrangement and/or age or obsolescence of

1 buildings or improvements, whether residential or nonresidential,  
2 inadequate provision for ventilation, light, proper sanitary  
3 facilities, or open spaces as determined by competent appraisers on the  
4 basis of an examination of the building standards of the municipality;  
5 inappropriate (~~or mixed~~) uses of land or buildings; (~~high density of~~  
6 ~~population and~~) existence of overcrowding of buildings or structures;  
7 defective or inadequate street layout; faulty lot layout in relation to  
8 size, adequacy, accessibility or usefulness; excessive land coverage;  
9 insanitary or unsafe conditions; deterioration of site; existence of  
10 hazardous soils, substances, or materials; diversity of ownership; tax  
11 or special assessment delinquency exceeding the fair value of the land;  
12 defective or unusual conditions of title; improper subdivision or  
13 obsolete platting; existence of persistent and high levels of  
14 unemployment or poverty within the area; or the existence of conditions  
15 (~~which~~) that endanger life or property by fire or other causes, or  
16 any combination of such factors, is conducive to ill health,  
17 transmission of disease, infant mortality, juvenile delinquency (~~and~~)  
18 or crime; substantially impairs or arrests the sound growth of the  
19 (~~city~~) municipality or its environs, or retards the provision of  
20 housing accommodations (~~or~~); constitutes an economic or social  
21 liability(~~or~~); and/or is detrimental, or constitutes a menace, to the  
22 public health, safety, welfare, (~~and~~) or morals in its present  
23 condition and use.

24 (3) "Bonds" (~~shall~~) means any bonds, notes, or debentures  
25 (including refunding obligations) herein authorized to be issued.

26 (4) "Clerk" (~~shall~~) means the clerk or other official of the  
27 municipality who is the custodian of the official records of such  
28 municipality.

29 (5) "Community renewal area" means a blighted area which the local  
30 governing body designates as appropriate for a community renewal  
31 project or projects.

32 (6) "Community renewal plan" means a plan, as it exists from time  
33 to time, for a community renewal project or projects, which plan (a)  
34 shall be consistent with the comprehensive plan or parts thereof for  
35 the municipality as a whole; (b) shall be sufficiently complete to  
36 indicate such land acquisition, demolition, and removal of structures,  
37 redevelopment, improvements, and rehabilitation as may be proposed to  
38 be carried out in the community renewal area; zoning and planning  
39 changes, if any, which may include, among other things, changes related

1 to land uses, densities, and building requirements; and the plan's  
2 relationship to definite local objectives respecting appropriate land  
3 uses, improved traffic, public transportation, public utilities,  
4 recreational and community facilities, and other public improvements;  
5 and (c) may include a plan to address any persistent high levels of  
6 unemployment or poverty in the community renewal area.

7 (7) "Community renewal project" includes one or more undertakings  
8 or activities of a municipality in a community renewal area: (a) For  
9 the elimination and the prevention of the development or spread of  
10 blight; (b) for encouraging economic growth through job creation or  
11 retention; (c) for redevelopment or rehabilitation in a community  
12 renewal area; or (d) any combination or part thereof in accordance with  
13 a community renewal plan.

14 (8) "Federal government" (~~shall include~~) includes the United  
15 States of America or any agency or instrumentality, corporate or  
16 otherwise, of the United States of America.

17 ~~((+6))~~ (9) "Local governing body" (~~shall~~) means the council or  
18 other legislative body charged with governing the municipality.

19 ~~((+7))~~ (10) "Mayor" (~~shall~~) means the chief executive of a city  
20 or town, or the elected executive, if any, of any county operating  
21 under a charter, or the county legislative authority of any other  
22 county.

23 ~~((+8))~~ (11) "Municipality" (~~shall~~) means any incorporated city  
24 or town, or any county, in the state.

25 ~~((+9))~~ (12) "Obligee" (~~shall include~~) includes any bondholder,  
26 agent, or trustees for any bondholders, (~~or~~) any lessor demising to  
27 the municipality property used in connection with (~~an urban~~) a  
28 community renewal project, or any assignee or assignees of such  
29 lessor's interest or any part thereof, and the federal government when  
30 it is a party to any contract with the municipality.

31 ~~((+10))~~ (13) "Person" (~~shall~~) means any individual, firm,  
32 partnership, corporation, company, association, joint stock  
33 association, or school district; and shall include any trustee,  
34 receiver, assignee, or other person acting in a similar representative  
35 capacity.

36 ~~((+11))~~ (14) "Persons of low income" means an individual with an  
37 annual income, at the time of hiring or at the time assistance is  
38 provided under this chapter, that does not exceed the higher of either:  
39 (a) Eighty percent of the statewide median family income, adjusted for

1 family size; or (b) eighty percent of the median family income for the  
2 county or standard metropolitan statistical area, adjusted for family  
3 size, where the community renewal area is located.

4 ~~(15)~~ "Public body" ((shall)) means the state or any municipality,  
5 ~~((township,)) board, commission, district, or any other subdivision or~~  
6 public body of the state or of a municipality.

7 ~~((12))~~ (16) "Public officer" ((shall)) means any officer who is  
8 in charge of any department or branch of the government of the  
9 municipality relating to health, fire, building regulations, or to  
10 other activities concerning dwellings in the municipality.

11 ~~((13))~~ (17) "Real property" ((shall)) includes all lands,  
12 including improvements and fixtures thereon, and property of any nature  
13 appurtenant thereto, or used in connection therewith, and every estate,  
14 interest, right and use, legal or equitable, therein, including terms  
15 for years and liens by way of judgment, mortgage or otherwise.

16 ~~((14))~~ (18) "Redevelopment" ((may)) includes (a) acquisition of  
17 a blighted area or portion thereof; (b) demolition and removal of  
18 buildings and improvements; (c) installation, construction or  
19 reconstruction of streets, utilities, parks, playgrounds, and other  
20 improvements necessary for carrying out in the area the ((urban))  
21 community renewal provisions of this chapter in accordance with the  
22 ~~((urban))~~ community renewal plan((, —and)); (d) making the land  
23 available for development or redevelopment by private enterprise or  
24 public ((agencies)) bodies (including sale, initial leasing, or  
25 retention by the municipality itself) at its fair value for uses in  
26 accordance with the ((urban)) community renewal plan; and (e) making  
27 loans or grants to a person or public body for the purpose of creating  
28 or retaining jobs, a substantial portion of which, as determined by the  
29 municipality, shall be for persons of low income.

30 ~~((15))~~ (19) "Rehabilitation" ((may)) includes the restoration and  
31 renewal of a blighted area or portion thereof, in accordance with ((an  
32 ~~urban))~~ a community renewal plan, by (a) carrying out plans for a  
33 program of voluntary or compulsory repair and rehabilitation of  
34 buildings or other improvements; (b) acquisition of real property and  
35 demolition or removal of buildings and improvements thereon where  
36 necessary to eliminate unhealthful, insanitary or unsafe conditions,  
37 lessen density, reduce traffic hazards, eliminate obsolete or other  
38 uses detrimental to the public welfare, or otherwise to remove or  
39 prevent the spread of blight or deterioration, or to provide land for

1 needed public facilities; (c) installation, construction or  
2 reconstruction of streets, utilities, parks, playgrounds, and other  
3 improvements necessary for carrying out in the area the ((urban))  
4 community renewal provisions of this chapter; and (d) the disposition  
5 of any property acquired in such ((urban)) community renewal area  
6 ((including sale, initial leasing, or retention by the municipality  
7 itself) at its fair value)) for uses in accordance with such ((urban))  
8 community renewal plan.

9 ((16) "Urban renewal area" means a blighted area which the local  
10 governing body designates as appropriate for an urban renewal project  
11 or projects.

12 (17) "Urban renewal plan" means a plan, as it exists from time to  
13 time, for an urban renewal project, which plan (a) shall conform to the  
14 comprehensive plan or parts thereof for the municipality as a whole;  
15 and (b) shall be sufficiently complete to indicate such land  
16 acquisition, demolition, and removal of structures, redevelopment,  
17 improvements, and rehabilitation as may be proposed to be carried out  
18 in the urban renewal area, zoning and planning changes, if any, land  
19 uses, maximum densities, building requirements, and the plan's  
20 relationship to definite local objectives respecting appropriate land  
21 uses, improved traffic, public transportation, public utilities,  
22 recreational and community facilities, and other public improvements.

23 (18) "Urban renewal project" may include undertakings or activities  
24 of a municipality in an urban renewal area for the elimination and for  
25 the prevention of the development or spread of blight, and may involve  
26 redevelopment in an urban renewal area, or rehabilitation in an urban  
27 renewal area, or any combination or part thereof in accordance with an  
28 urban renewal plan.))

29 **Sec. 2.** RCW 35.81.020 and 1965 c 7 s 35.81.020 are each amended to  
30 read as follows:

31 It is hereby found and declared that blighted areas which  
32 constitute a serious and growing menace, injurious to the public  
33 health, safety, morals and welfare of the residents of the state exist  
34 in municipalities of the state; that the existence of such areas  
35 contributes substantially and increasingly to the spread of disease and  
36 crime and depreciation of property values, constitutes an economic and  
37 social liability, substantially impairs or arrests the sound growth of  
38 municipalities, retards the provision of housing accommodations,

1 hinders job creation and economic growth, aggravates traffic problems  
2 and substantially impairs or arrests the elimination of traffic hazards  
3 and the improvement of traffic facilities; and that the prevention and  
4 elimination of such areas is a matter of state policy and state concern  
5 in order that the state and its municipalities shall not continue to be  
6 endangered by areas which are focal centers of disease, promote  
7 juvenile delinquency, are conducive to fires, are difficult to police  
8 and to provide police protection for, and, while contributing little to  
9 the tax income of the state and its municipalities, consume an  
10 excessive proportion of its revenues because of the extra services  
11 required for police, fire, accident, hospitalization and other forms of  
12 public protection, services, and facilities.

13 It is further found and declared that certain of such areas, or  
14 portions thereof, may require acquisition, clearance, and disposition  
15 subject to use restrictions, as provided in this chapter, since the  
16 prevailing condition of decay may make impracticable the reclamation of  
17 the area by rehabilitation; that other areas or portions thereof may,  
18 through the means provided in this chapter, be susceptible of  
19 rehabilitation in such a manner that the conditions and evils  
20 hereinbefore enumerated may be eliminated, remedied or prevented; and  
21 that to the extent feasible salvable blighted areas should be  
22 rehabilitated through voluntary action and the regulatory process.

23 It is further found and declared that there is an urgent need to  
24 enhance the ability of municipalities to act effectively and  
25 expeditiously to revive blighted areas and to prevent further blight  
26 due to shocks to the economy of the state and their actual and  
27 threatened effects on unemployment, poverty, and the availability of  
28 private capital for businesses and projects in the area.

29 It is further found and declared that the powers conferred by this  
30 chapter are for public uses and purposes for which public money may be  
31 expended and the power of eminent domain exercised; and that the  
32 necessity in the public interest for the provisions herein enacted is  
33 hereby declared as a matter of legislative determination.

34 **Sec. 3.** RCW 35.81.030 and 1965 c 7 s 35.81.030 are each amended to  
35 read as follows:

36 A municipality, to the greatest extent it determines to be feasible  
37 in carrying out the provisions of this chapter, shall afford maximum  
38 opportunity, consistent with the ((sound)) needs of the municipality as

1 a whole, to the rehabilitation or redevelopment of the ((urban))  
2 community renewal area by private enterprise. A municipality shall  
3 give consideration to this objective in exercising its powers under  
4 this chapter, including the formulation of a workable program, the  
5 approval of ((urban)) community renewal plans (consistent with the  
6 comprehensive plan or parts thereof for the municipality), the exercise  
7 of its zoning powers, the enforcement of other laws, codes and  
8 regulations relating to the use of land and the use and occupancy of  
9 buildings and improvements, the disposition of any property acquired,  
10 and the provision of necessary public improvements.

11 **Sec. 4.** RCW 35.81.040 and 1965 c 7 s 35.81.040 are each amended to  
12 read as follows:

13 A municipality for the purposes of this chapter may formulate a  
14 workable program for ((utilizing)) using appropriate private and public  
15 resources to eliminate, and prevent the development or spread of,  
16 blighted areas, to encourage needed ((urban)) community rehabilitation,  
17 to provide for the redevelopment of such areas, or to undertake ((such  
18 of)) the ((aforesaid)) activities, or other feasible municipal  
19 activities as may be suitably employed to achieve the objectives of  
20 ((such)) the workable program. ((Such)) The workable program may  
21 include, without limitation, provision for: The prevention of the  
22 spread of blight into areas of the municipality which are free from  
23 blight through diligent enforcement of housing, zoning, and occupancy  
24 controls and standards; the rehabilitation of blighted areas or  
25 portions thereof by replanning, removing congestion, providing parks,  
26 playgrounds and other public improvements, by encouraging voluntary  
27 rehabilitation and by compelling the repair and rehabilitation of  
28 deteriorated or deteriorating structures; ((and)) the clearance and  
29 redevelopment of blighted areas or portions thereof; and the reduction  
30 of unemployment and poverty within the community renewal area by  
31 providing financial or technical assistance to a person or public body  
32 that is used to create or retain jobs, a substantial portion of which,  
33 as determined by the municipality, shall be for persons of low income.

34 **Sec. 5.** RCW 35.81.050 and 1965 c 7 s 35.81.050 are each amended to  
35 read as follows:

36 (1) No municipality shall exercise any of the powers hereafter  
37 conferred upon municipalities by this chapter until after its local

1 governing body shall have adopted ~~((a))~~ an ordinance or resolution  
2 finding that: ~~((+1))~~ (a) One or more blighted areas exist in such  
3 municipality; and ~~((+2))~~ (b) the rehabilitation, redevelopment, or a  
4 combination thereof, of such area or areas is necessary in the interest  
5 of the public health, safety, morals, or welfare of the residents of  
6 such municipality.

7 (2) After adoption of the ordinance or resolution making the  
8 findings described in subsection (1) of this section, the local  
9 governing body of the municipality may elect to have the powers of a  
10 community renewal agency under this chapter exercised in one of the  
11 following ways:

12 (a) By appointing a board or commission composed of not less than  
13 five members, which board or commission may include city officials and  
14 office holders, selected by the mayor, with approval of the local  
15 governing body of the municipality; or

16 (b) By the local governing body of the municipality directly; or

17 (c) By the board of a public corporation, commission, or authority  
18 under chapter 35.21 RCW, or a public facilities district created under  
19 chapter 35.57 or 36.100 RCW, or a public port district created under  
20 chapter 53.04 RCW, or a housing authority created under chapter 35.82  
21 RCW, that is authorized to conduct activities as a community renewal  
22 agency under this chapter.

23 **Sec. 6.** RCW 35.81.060 and 1965 c 7 s 35.81.060 are each amended to  
24 read as follows:

25 (1) A municipality shall not approve ~~((an urban))~~ a community  
26 renewal project for ~~((an urban))~~ a community renewal area unless the  
27 local governing body has, by ordinance or resolution, determined such  
28 an area to be a blighted area and designated ~~((such))~~ the area as  
29 appropriate for ~~((an urban))~~ a community renewal project. The local  
30 governing body shall not approve ~~((an urban))~~ a community renewal plan  
31 until a comprehensive plan or parts of ~~((such))~~ the plan for an area  
32 which would include ~~((an urban))~~ a community renewal area for the  
33 municipality have been prepared as provided in chapter ~~((35.63 RCW.~~  
34 ~~For this purpose and other municipal purposes, authority is hereby~~  
35 ~~vested in every municipality to prepare, to adopt, and to revise from~~  
36 ~~time to time, a comprehensive plan or parts thereof for the physical~~  
37 ~~development of the municipality as a whole (giving due regard to the~~  
38 ~~environs and metropolitan surroundings), to establish and maintain a~~



1 ~~planning commission for such purpose and related municipal planning~~  
2 ~~activities, and to make available and to appropriate necessary funds~~  
3 ~~therefor)) 36.70A RCW. For municipalities not subject to the planning~~  
4 ~~requirements of chapter 36.70A RCW, any proposed comprehensive plan~~  
5 ~~must be consistent with a local comprehensive plan adopted under~~  
6 ~~chapter 35.63 or 36.70 RCW, or any other applicable law. A~~  
7 ~~municipality shall not acquire real property for ((an urban)) a~~  
8 ~~community renewal project unless the local governing body has approved~~  
9 ~~the ((urban)) community renewal project plan in accordance with~~  
10 ~~subsection (4) ((hereof)) of this section.~~

11 (2) The municipality may itself prepare or cause to be prepared  
12 ((an urban)) a community renewal plan, or any person or agency, public  
13 or private, may submit such a plan to the municipality. Prior to its  
14 approval of ((an urban)) a community renewal project, the local  
15 governing body shall ~~((submit such plan to the planning commission of~~  
16 ~~the municipality for review and recommendations as to its conformity))~~  
17 review and determine the conformity of the community renewal plan with  
18 the comprehensive plan or parts thereof for the development of the  
19 municipality as a whole. ((The planning commission shall submit its  
20 written recommendations with respect to the proposed urban renewal plan  
21 to the local governing body within sixty days after receipt of it.  
22 Upon receipt of the recommendations of the planning commission, or if  
23 no recommendations are received within sixty days, then without such  
24 recommendations, the local governing body may proceed with the hearing  
25 on the proposed urban renewal project plan prescribed by subsection (3)  
26 hereof)) If the community renewal plan is not consistent with the  
27 existing comprehensive plan, the local governing body may amend its  
28 comprehensive plan or community renewal plan.

29 (3) Prior to adoption, the local governing body shall hold a public  
30 hearing on ((an urban)) a community renewal plan after providing public  
31 notice ((thereof)). ((Such)) The notice shall be given by publication  
32 once each week for two consecutive weeks not less than ten nor more  
33 than thirty days prior to the date of the hearing in a newspaper having  
34 a general circulation in the ((urban)) community renewal area of the  
35 municipality and by mailing a notice of ((such)) the hearing not less  
36 than ten days prior to the date of the hearing to the persons whose  
37 names appear on the county treasurer's tax roll as the owner or reputed  
38 owner of the property, at the address shown on the tax roll. The  
39 notice shall describe the time, date, place, and purpose of the

1 hearing, shall generally identify the (~~urban~~) community renewal area  
2 affected, and shall outline the general scope of the (~~urban~~)  
3 community renewal plan under consideration.

4 (4) Following (~~such~~) the hearing, the local governing body may  
5 approve (~~an urban~~) a community renewal project if it finds that (a)  
6 a (~~workable and~~) feasible plan exists for making available adequate  
7 housing for the (~~persons~~) residents who may be displaced by the  
8 project; (b) the (~~urban~~) community renewal plan conforms to the  
9 comprehensive plan (~~or parts thereof~~) for the municipality (~~as a~~  
10 ~~whole~~); (c) the (~~urban~~) community renewal plan will afford maximum  
11 opportunity, consistent with the (~~sound~~) needs of the municipality  
12 (~~as a whole~~), for the rehabilitation or redevelopment of the  
13 (~~urban~~) community renewal area by private enterprise; (~~and~~) (d) a  
14 sound and adequate financial program exists for the financing of  
15 (~~said~~) the project; and (e) the (~~urban~~) community renewal project  
16 area is a blighted area as defined in RCW 35.81.010(2) (as recodified  
17 by this act).

18 (5) (~~An urban~~) A community renewal project plan may be modified  
19 at any time by the local governing body(~~(: PROVIDED, That)~~). However,  
20 if modified after the lease or sale by the municipality of real  
21 property in the (~~urban~~) community renewal project area, (~~such~~) the  
22 modification shall be subject to (~~such~~) the rights at law or in  
23 equity as a lessee or purchaser, or (~~his~~) the successor or successors  
24 in interest may be entitled to assert.

25 (6) (~~Upon the approval of an urban renewal project by a~~  
26 ~~municipality, the provisions of the urban renewal plan with respect to~~  
27 ~~the future use and building requirements applicable to the property~~  
28 ~~covered by said plan shall be controlling with respect thereto~~) Unless  
29 otherwise expressly stated in an ordinance or resolution of the  
30 governing body of the municipality, a community renewal plan shall not  
31 be considered a subarea plan or part of a comprehensive plan for  
32 purposes of chapter 36.70A RCW. However, a municipality that has  
33 adopted a comprehensive plan under chapter 36.70A RCW may adopt all or  
34 part of a community renewal plan at any time as a new or amended  
35 subarea plan, whether or not any subarea plan has previously been  
36 adopted for all or part of the community renewal area. Any community  
37 renewal plan so adopted, unless otherwise determined by the growth  
38 management hearings board with jurisdiction under a timely appeal in  
39 RCW 36.70A.280, shall be conclusively presumed to comply with the

1 requirements in this chapter for consistency with the comprehensive  
2 plan.

3 **Sec. 7.** RCW 35.81.070 and 1965 c 7 s 35.81.070 are each amended to  
4 read as follows:

5 Every municipality shall have all the powers necessary or  
6 convenient to carry out and effectuate the purposes and provisions of  
7 this chapter, including the following powers in addition to others  
8 (~~herein~~) granted under this chapter:

9 (1) To undertake and carry out (~~urban~~) community renewal projects  
10 within the municipality, to make and execute contracts and other  
11 instruments necessary or convenient to the exercise of its powers under  
12 this chapter, and to disseminate blight clearance and (~~urban~~)  
13 community renewal information.

14 (2) To provide or to arrange or contract for the furnishing or  
15 repair by any person or agency, public or private, of services,  
16 privileges, works, streets, roads, public utilities or other facilities  
17 for, or in connection with, (~~an urban~~) a community renewal project;  
18 to install, construct, and reconstruct streets, utilities, parks,  
19 playgrounds, and other public improvements; and to agree to any  
20 conditions that it may deem reasonable and appropriate attached to  
21 federal financial assistance and imposed pursuant to federal law  
22 relating to the determination of prevailing salaries or wages or  
23 compliance with labor standards, in the undertaking or carrying out of  
24 (~~an urban~~) a community renewal project, and to include in any  
25 contract let in connection with such a project, provisions to fulfill  
26 such of said conditions as it may deem reasonable and appropriate.

27 (3) To provide financial or technical assistance, using available  
28 public or private funds, to a person or public body for the purpose of  
29 creating or retaining jobs, a substantial portion of which, as  
30 determined by the municipality, shall be for persons of low income.

31 (4) To make payments, loans, or grants to, provide assistance to,  
32 and contract with existing or new owners and tenants of property in the  
33 community renewal areas as compensation for any adverse impacts, such  
34 as relocation or interruption of business, that may be caused by the  
35 implementation of a community renewal project, and/or consideration for  
36 commitments to develop, expand, or retain land uses that contribute to  
37 the success of the project or plan, including without limitation  
38 businesses that will create or retain jobs, a substantial portion of

1 which, as determined by the municipality, shall be for persons of low  
2 income.

3 (5) To contract with a person or public body to provide financial  
4 assistance, authorized under this section, to property owners and  
5 tenants impacted by the implementation of the community renewal plan  
6 and to provide incentives to property owners and tenants to encourage  
7 them to locate in the community renewal area after adoption of the  
8 community renewal plan.

9 (6) Within the municipality, to enter upon any building or property  
10 in any (~~urban~~) community renewal area, in order to make surveys and  
11 appraisals, provided that such entries shall be made in such a manner  
12 as to cause the least possible inconvenience to the persons in  
13 possession, and to obtain an order for this purpose from a court of  
14 competent jurisdiction in the event entry is denied or resisted; to  
15 acquire by purchase, lease, option, gift, grant, bequest, devise,  
16 eminent domain, or otherwise, any real property and such personal  
17 property as may be necessary for the administration of the provisions  
18 herein contained, together with any improvements thereon; to hold,  
19 improve, clear, or prepare for redevelopment any such property; to  
20 dispose of any real property; to insure or provide for the insurance of  
21 any real or personal property or operations of the municipality against  
22 any risks or hazards, including the power to pay premiums on any such  
23 insurance: PROVIDED, That no statutory provision with respect to the  
24 acquisition, clearance, or disposition of property by public bodies  
25 shall restrict a municipality in the exercise of such functions with  
26 respect to (~~an urban~~) a community renewal project.

27 (~~(4)~~) (7) To invest any (~~urban~~) community renewal project funds  
28 held in reserves or sinking funds or any such funds which are not  
29 required for immediate disbursement, in property or securities in which  
30 mutual savings banks may legally invest funds subject to their control;  
31 to redeem such bonds as have been issued pursuant to RCW 35.81.100 at  
32 the redemption price established therein or to purchase such bonds at  
33 less than redemption price, all such bonds so redeemed or purchased to  
34 be canceled.

35 (~~(5)~~) (8) To borrow money and to apply for, and accept, advances,  
36 loans, grants, contributions and any other form of financial assistance  
37 from the federal government, the state, county, or other public body,  
38 or from any sources, public or private, for the purposes of this  
39 chapter, and to enter into and carry out contracts in connection

1 therewith. A municipality may include in any application or contract  
2 for financial assistance with the federal government for ~~((an urban))~~  
3 a community renewal project such conditions imposed pursuant to federal  
4 laws as the municipality may deem reasonable and appropriate and which  
5 are not inconsistent with the purposes of this chapter.

6 ~~((+6))~~ (9) Within the municipality, to make or have made all plans  
7 necessary to the carrying out of the purposes of this chapter and to  
8 contract with any person, public or private, in making and carrying out  
9 such plans and to adopt or approve, modify, and amend such plans. Such  
10 plans may include, without limitation: (a) A comprehensive plan or  
11 parts thereof for the locality as a whole, (b) ~~((urban))~~ community  
12 renewal plans, (c) plans for carrying out a program of voluntary or  
13 compulsory repair and rehabilitation of buildings and improvements, (d)  
14 plans for the enforcement of state and local laws, codes, and  
15 regulations relating to the use of land and the use and occupancy of  
16 buildings and improvements and to the compulsory repair,  
17 rehabilitation, demolition, or removal of buildings and improvements,  
18 ~~((and))~~ (e) appraisals, title searches, surveys, studies, and other  
19 preliminary plans and work necessary to prepare for the undertaking of  
20 ~~((urban))~~ community renewal projects, and (f) plans to provide  
21 financial or technical assistance to a person or public body for the  
22 purpose of creating or retaining jobs, a substantial portion of which,  
23 as determined by the municipality, shall be for persons of low income.  
24 The municipality is authorized to develop, test, and report methods and  
25 techniques, and carry out demonstrations and other activities, for the  
26 prevention and the elimination of ~~((urban))~~ blight, for job creation or  
27 retention activities, and to apply for, accept, and utilize grants of,  
28 funds from the federal government for such purposes.

29 ~~((+7))~~ (10) To prepare plans for the relocation of families  
30 displaced from ~~((an urban))~~ a community renewal area, and to coordinate  
31 public and private agencies in such relocation, including requesting  
32 such assistance for this purpose as is available from other private and  
33 governmental agencies, both for the municipality and other parties.

34 ~~((+8))~~ (11) To appropriate such funds and make such expenditures  
35 as may be necessary to carry out the purposes of this chapter, and in  
36 accordance with state law: (a) Levy taxes and assessments for such  
37 purposes; (b) acquire land either by negotiation ~~((and/or))~~ or eminent  
38 domain, or both; (c) close, vacate, plan, or replan streets, roads,  
39 sidewalks, ways, or other places; (d) plan or replan, zone or rezone

1 any part of the municipality; (e) adopt annual budgets for the  
2 operation of ((an urban)) a community renewal agency, department, or  
3 offices vested with ((urban)) community renewal project powers under  
4 RCW 35.81.150; and (f) enter into agreements with such agencies or  
5 departments (which agreements may extend over any period) respecting  
6 action to be taken by such municipality pursuant to any of the powers  
7 granted by this chapter.

8 ((+9)) (12) Within the municipality, to organize, coordinate, and  
9 direct the administration of the provisions of this chapter as they  
10 apply to such municipality in order that the objective of remedying  
11 blighted areas and preventing the causes thereof within such  
12 municipality may be most effectively promoted and achieved, and to  
13 establish such new office or offices of the municipality or to  
14 reorganize existing offices in order to carry out such purpose most  
15 effectively.

16 ((+10)) (13) To contract with a person or public body to assist in  
17 carrying out the purposes of this chapter.

18 (14) To exercise all or any part or combination of powers herein  
19 granted.

20 **Sec. 8.** RCW 35.81.080 and 1965 c 7 s 35.81.080 are each amended to  
21 read as follows:

22 A municipality shall have the right to acquire by condemnation, in  
23 accordance with the procedure provided for condemnation by such  
24 municipality for other purposes, any interest in real property, which  
25 it may deem necessary for ((an urban)) a community renewal project  
26 under this chapter after the adoption by the local governing body of a  
27 resolution declaring that the acquisition of the real property  
28 described therein is necessary for such purpose. Condemnation for  
29 ((urban)) community renewal of blighted areas is declared to be a  
30 public use, and property already devoted to any other public use or  
31 acquired by the owner or ((his)) a predecessor in interest by eminent  
32 domain may be condemned for the purposes of this chapter.

33 The award of compensation for real property taken for such a  
34 project shall not be increased by reason of any increase in the value  
35 of the real property caused by the assembly, clearance, or  
36 reconstruction, or proposed assembly, clearance, or reconstruction in  
37 the project area. No allowance shall be made for the improvements  
38 begun on real property after notice to the owner of such property of

1 the institution of proceedings to condemn such property. Evidence  
2 shall be admissible bearing upon the insanitary, unsafe, or substandard  
3 condition of the premises, or the unlawful use thereof.

4 **Sec. 9.** RCW 35.81.090 and 1965 c 7 s 35.81.090 are each amended to  
5 read as follows:

6 (1) A municipality may acquire real property, or any interest  
7 therein, for the purposes of a community renewal project (a) prior to  
8 the selection of one or more persons interested in undertaking to  
9 redevelop or rehabilitate the real property, or (b) after the selection  
10 of one or more persons interested in undertaking to redevelop or  
11 rehabilitate such real property. In either case the municipality may  
12 select a redeveloper through a competitive bidding process consistent  
13 with this section or through a process consistent with section 10 of  
14 this act.

15 (2) A municipality may sell, lease, or otherwise transfer real  
16 property or any interest therein acquired by it for ((an urban)) a  
17 community renewal project, in ((an urban)) a community renewal area for  
18 residential, recreational, commercial, industrial, or other uses or for  
19 public use, and may enter into contracts with respect thereto, or may  
20 retain such a property or interest only for parks and recreation,  
21 education, public utilities, public transportation, public safety,  
22 health, highways, streets, and alleys, administrative buildings, or  
23 civic centers, in accordance with the ((urban)) community renewal  
24 project plan, subject to such covenants, conditions, and restrictions,  
25 including covenants running with the land, as it may deem to be  
26 necessary or desirable to assist in preventing the development or  
27 spread of blighted areas or otherwise to carry out the purposes of this  
28 chapter((:—PROVIDED, That)). However, such a sale, lease, other  
29 transfer, or retention, and any agreement relating thereto, may be made  
30 only after the approval of the ((urban)) community renewal plan by the  
31 local governing body. The purchasers or lessees and their successors  
32 and assigns shall be obligated to devote ((such)) the real property  
33 only to the uses specified in the ((urban)) community renewal plan, and  
34 may be obligated to comply with ((such)) any other requirements as the  
35 municipality may determine to be in the public interest, including the  
36 obligation to begin and complete, within a reasonable time, any  
37 improvements on ((such)) the real property required by the ((urban))  
38 community renewal plan or promised by the transferee. ((Such)) The

1 real property or interest shall be sold, leased, or otherwise  
2 transferred(~~(, or retained at not less than its fair value for uses in~~  
3 ~~accordance with the urban renewal plan))~~ for the consideration the  
4 municipality determines adequate. In determining the (~~fair value of~~  
5 ~~real property for uses in accordance with the urban renewal plan))~~  
6 adequacy of consideration, a municipality (~~shall~~) may take into  
7 account(~~(, and give consideration to,)~~) the uses (~~provided in such~~)  
8 permitted under the community renewal plan; the restrictions upon, and  
9 the covenants, conditions, and obligations assumed by, the (~~purchaser~~  
10 ~~or lessee or by the municipality retaining the property)) transferee;  
11 and the public benefits to be realized, including furthering of the  
12 objectives of (such) the plan for the prevention of the recurrence of  
13 blighted areas.~~

14 (3) The municipality in any instrument of conveyance to a private  
15 purchaser or lessee may provide that (~~such~~) the purchaser or lessee  
16 shall be without power to sell, lease, or otherwise transfer the real  
17 property, or to permit changes in ownership or control of a purchaser  
18 or lessee that is not a natural person, in each case without the prior  
19 written consent of the municipality until (he) the purchaser or  
20 lessee has completed the construction of (any and) all improvements  
21 (which he) that it has obligated (himself) itself to construct  
22 thereon. The municipality may also retain the right, upon any earlier  
23 transfer or change in ownership or control without consent; or any  
24 failure or change in ownership or control without consent; or any  
25 failure to complete the improvements within the time agreed to  
26 terminate the transferee's interest in the property; or to retain or  
27 collect on any deposit or instrument provided as security, or both.  
28 The enforcement of these restrictions and remedies is declared to be  
29 consistent with the public policy of this state. Real property  
30 acquired by a municipality (which) that, in accordance with the  
31 provisions of the (urban) community renewal plan, is to be  
32 transferred, shall be transferred as rapidly as feasible, in the public  
33 interest, consistent with the carrying out of the provisions of the  
34 (urban) community renewal plan. The inclusion in any (such)  
35 contract or conveyance to a purchaser or lessee of any (such)  
36 covenants, restrictions, or conditions (including the incorporation by  
37 reference therein of the provisions of (an urban) a community renewal  
38 plan or any part thereof) shall not prevent the recording of such a  
39 contract or conveyance in the land records of the auditor or the county



1 in which ~~((such))~~ the city or town is located, in ~~((such))~~ a manner  
2 ~~((as to))~~ that affords actual or constructive notice thereof.

3 ~~((+2))~~ (4)(a)(i) A municipality may dispose of real property in  
4 ~~((an urban))~~ a community renewal area, acquired by the municipality  
5 under this chapter, to any private persons only under ~~((such))~~ those  
6 reasonable competitive bidding procedures as it shall prescribe, or by  
7 competitive bidding as ~~((hereinafter))~~ provided in this subsection,  
8 through direct negotiation where authorized under (c) of this  
9 subsection, or by a process authorized in section 10 of this act.

10 (ii) A competitive bidding process may occur (A) prior to the  
11 purchase of the real property by the municipality, or (B) after the  
12 purchase of the real property by the municipality.

13 (b)(i) A municipality may, by public notice by publication once  
14 each week for three consecutive weeks in a newspaper having a general  
15 circulation in the community, prior to the execution of any contract or  
16 deed to sell, lease, or otherwise transfer real property and prior to  
17 the delivery of any instrument of conveyance with respect thereto under  
18 the provisions of this section, invite bids from, and make available  
19 all pertinent information to, private redevelopers or any persons  
20 interested in undertaking to redevelop or rehabilitate ~~((an urban))~~ a  
21 community renewal area, or any part thereof. ~~((Such))~~ This notice  
22 shall identify the area, or portion thereof, and shall state that  
23 ~~((such))~~ further information as is available may be obtained at  
24 ~~((such))~~ the office as shall be designated in ~~((said))~~ the notice.

25 (ii) The municipality shall consider all responsive redevelopment  
26 or rehabilitation bids and the financial and legal ability of the  
27 persons making ~~((such))~~ the bids to carry them out. The municipality  
28 may accept ~~((such))~~ the bids as it deems to be in the public interest  
29 and in furtherance of the purposes of this chapter. Thereafter, the  
30 municipality may execute, in accordance with the provisions of  
31 subsection ~~((+1))~~ (2) of this section, and deliver contracts, deeds,  
32 leases, and other instruments of transfer.

33 ~~((+3))~~ (c) If the municipality determines that the sale of real  
34 property to a specific person is necessary to the success of a  
35 neighborhood revitalization or community renewal project for which the  
36 municipality is providing assistance to a nonprofit organization from  
37 federal community development block grant funds under 42 U.S.C. Sec.  
38 5305(a)(15), or successor provision, under a plan or grant application  
39 approved by the United States department of housing and urban

1 development, or successor agency, then the municipality may sell or  
2 lease that property to that person through direct negotiation, for  
3 consideration determined by the municipality to be adequate consistent  
4 with subsection (2) of this section. This direct negotiation may  
5 occur, and the municipality may enter into an agreement for sale or  
6 lease, either before or after the acquisition of the property by the  
7 municipality. Unless the municipality has provided notice to the  
8 public of the intent to sell or lease the property by direct  
9 negotiation, as part of a citizen participation process adopted under  
10 federal regulations for the plan or grant application under which the  
11 federal community development block grant funds have been awarded, the  
12 municipality shall publish notice of the sale at least fifteen days  
13 prior to the conveyance of the property.

14 (5) A municipality may operate and maintain real property acquired  
15 in ~~((an urban))~~ a community renewal area for a period of three years  
16 pending the disposition of the property for redevelopment, without  
17 regard to the provisions of subsection ~~((1) above)~~ (2) of this  
18 section, for such uses and purposes as may be deemed desirable even  
19 though not in conformity with the ~~((urban))~~ community renewal plan~~((+  
20 PROVIDED, That))~~. However, the municipality may, after a public  
21 hearing, extend the time for a period not to exceed three years.

22 (6) Any covenants, restrictions, promises, undertakings, releases,  
23 or waivers in favor of a municipality contained in any deed or other  
24 instrument accepted by any transferee of property from the municipality  
25 or community renewal agency under this chapter, or contained in any  
26 document executed by any owner of property in a community renewal area,  
27 shall run with the land to the extent provided in the deed, instrument,  
28 or other document, so as to bind, and be enforceable by the  
29 municipality against, the person accepting or making the deed,  
30 instrument, or other document and that person's heirs, successors in  
31 interest, or assigns having actual or constructive notice thereof.

32 NEW SECTION. Sec. 10. A new section is added to chapter 35.81 RCW  
33 to read as follows:

34 (1) The process authorized under this section may occur (a) prior  
35 to the purchase of the real property by the municipality, or (b) after  
36 the purchase of the real property by the municipality.

37 (2) A municipality may, by public notice once each week for three  
38 consecutive weeks in a legal newspaper in the municipality, or prior to

1 the execution of any contract or deed to sell, lease, or otherwise  
2 transfer real property and prior to the delivery of any instrument of  
3 conveyance with respect thereto under the provisions of this section,  
4 invite statements of interest and qualifications and, at the  
5 municipality's option, proposals from any persons interested in  
6 undertaking to redevelop or rehabilitate the real property.

7 (3) The notice required under this section shall identify the area,  
8 or portion thereof, the process the municipality will use to evaluate  
9 qualifications and, if applicable, proposals submitted by redevelopers  
10 or any persons, and other information relevant to the community renewal  
11 project. The notice shall also state that further information, as is  
12 available, may be obtained at the offices designated in the notice.

13 (4)(a) Based on its evaluation of qualifications and, if  
14 applicable, proposals, the municipality may select a proposer with whom  
15 to negotiate or may select two or more finalists to submit proposals,  
16 or to submit more detailed or revised proposals. The municipality may,  
17 in its sole discretion, reject all responses or proposals, amend any  
18 solicitation to allow modification or supplementation of qualifications  
19 or proposals, or waive irregularities in the content or timing of any  
20 qualifications or proposals.

21 (b) The municipality may initiate negotiations with the person  
22 selected on the basis of qualifications or proposals. If the  
23 municipality does not enter into a contract with that person, it may  
24 (i) enter into negotiations with the person that submitted the next  
25 highest ranked qualifications or proposal, (ii) solicit additional  
26 proposals using a process permitted by RCW 35.81.090, or (iii)  
27 otherwise dispose of or retain the real property consistent with the  
28 provisions of this chapter. A municipality shall not be required to  
29 select or enter into a contract with any proposer or to compensate any  
30 proposer for the cost of preparing a proposal or negotiating with the  
31 municipality.

32 (c) A municipality may select and enter into a contract with more  
33 than one proposer to carry out different aspects or parts of a  
34 community renewal plan.

35 **Sec. 11.** RCW 35.81.100 and 1983 c 167 s 64 are each amended to  
36 read as follows:

37 (1) A municipality shall have the power to issue bonds from time to  
38 time in its discretion to finance the undertaking of any ((urban))

1 community renewal project under this chapter, including, without  
2 limiting the generality (~~(thereof)~~) of this power, the payment of  
3 principal and interest upon any advances for surveys and plans for  
4 (~~(urban)~~) community renewal projects, and shall also have power to  
5 issue refunding bonds for the payment or retirement of such bonds  
6 previously issued by it. Such bonds shall not pledge the general  
7 credit of the municipality and shall be made payable, as to both  
8 principal and interest, solely from the income, proceeds, revenues, and  
9 funds of the municipality derived from, or held in connection with, its  
10 undertaking and carrying out of (~~(urban)~~) community renewal projects  
11 under this chapter(~~(:—PROVIDED, That)~~). However, the payment of such  
12 bonds, both as to principal and interest, may be further secured by a  
13 pledge of any loan, grant, or contribution from the municipality, the  
14 federal government, or from other sources, in aid of any (~~(urban)~~)  
15 community renewal projects of the municipality under this chapter.

16 (2) Bonds issued under this section shall not constitute an  
17 indebtedness within the meaning of any constitutional or statutory debt  
18 limitation or restriction, and shall not be subject to the provisions  
19 of any other law or charter relating to the authorization, issuance, or  
20 sale of bonds. Bonds issued under the provisions of this chapter are  
21 declared to be issued for an essential public and governmental purpose,  
22 and together with interest thereon and income therefrom, shall be  
23 exempted from all taxes.

24 (3) Bonds issued under this section shall be authorized by  
25 resolution or ordinance of the local governing body and may be issued  
26 in one or more series and shall bear such date or dates, be payable  
27 upon demand or mature at such time or times, bear interest at such rate  
28 or rates, be in such denomination or denominations, be in such form  
29 either coupon or registered as provided in RCW 39.46.030, carry such  
30 conversion or registration privileges, have such rank or priority, be  
31 executed in such manner, be payable in such medium of payment, at such  
32 place or places, and be subject to such terms of redemption (with or  
33 without premium), be secured in such manner, and have such other  
34 characteristics, as may be provided by such resolution or trust  
35 indenture or mortgage issued pursuant thereto.

36 (4) Such bonds may be sold at not less than ninety-eight percent of  
37 par at public or private sale, or may be exchanged for other bonds on  
38 the basis of par: PROVIDED, That such bonds may be sold to the federal  
39 government at private sale at not less than par and, in the event less

1 than all of the authorized principal amount of such bonds is sold to  
2 the federal government, the balance may be sold at public or private  
3 sale at not less than ninety-eight percent of par at an interest cost  
4 to the municipality of not to exceed the interest cost to the  
5 municipality of the portion of the bonds sold to the federal  
6 government.

7 (5)(a) The municipality may annually pay into a fund to be  
8 established for the benefit of such bonds any and all excess of the  
9 taxes received by it from the same property over and above the average  
10 of the annual taxes authorized without vote for a five-year period  
11 immediately preceding the acquisition of the property by the  
12 municipality for renewal purposes, such payment to continue until such  
13 time as all bonds payable from the fund are paid in full. Any other  
14 taxing unit (~~((in a municipality))~~) that receives property tax revenues  
15 from property in the community renewal area is authorized to allocate  
16 ((a like amount of such)) excess taxes, computed in the same manner, to  
17 the municipality or municipalities in which it is situated.

18 (b) In addition to the excess property tax revenues from property  
19 in the community renewal area, authorized in this subsection, the  
20 municipality may annually pay into the fund, established in this  
21 subsection, any and all excess of the excise tax received by it from  
22 business activity in the community renewal area over and above the  
23 average of the annual excise tax collected for a five-year period  
24 immediately preceding the establishment of a community renewal area.  
25 The payment may continue until all the bonds payable from the fund are  
26 paid in full. Any other taxing unit that receives excise tax from  
27 business activity in the community renewal area is authorized to  
28 allocate excess excise tax, computed in the same manner, to the  
29 municipality or municipalities in which it is situated. As used in  
30 this subsection, "excise tax" means a local retail sales and use tax  
31 authorized in chapter 82.14 RCW. The legislature declares that it is  
32 a proper purpose of a municipality to allocate an excise tax for  
33 purposes of a community renewal project under this chapter.

34 (6) In case any of the public officials of the municipality whose  
35 signatures appear on any bonds or any coupons issued under this chapter  
36 shall cease to be such officials before the delivery of such bonds,  
37 such signatures shall, nevertheless, be valid and sufficient for all  
38 purposes, the same as if such officials had remained in office until  
39 such delivery. Any provision of any law to the contrary

1 notwithstanding, any bonds, issued pursuant to this chapter shall be  
2 fully negotiable.

3 (7) In any suit, action, or proceeding involving the validity or  
4 enforceability of any bond issued under this chapter or the security  
5 therefor, any such bond reciting in substance that it has been issued  
6 by the municipality in connection with ~~((an urban))~~ a community renewal  
7 project, as herein defined, shall be conclusively deemed to have been  
8 issued for such purpose and such project shall be conclusively deemed  
9 to have been planned, located, and carried out in accordance with the  
10 provisions of this chapter.

11 (8) Notwithstanding subsections (1) through (7) of this section,  
12 such bonds may be issued and sold in accordance with chapter 39.46 RCW.

13 **Sec. 12.** RCW 35.81.110 and 1965 c 7 s 35.81.110 are each amended  
14 to read as follows:

15 All banks, trust companies, bankers, savings banks and  
16 institutions, building and loan associations, savings and loan  
17 associations, investment companies, and other persons carrying on a  
18 banking or investment business, all insurance companies, insurance  
19 associations, and other persons carrying on an insurance business and  
20 all executors, administrators, curators, trustees, and other  
21 fiduciaries, may legally invest any sinking funds, moneys, or other  
22 funds belonging to them or within their control in any bonds or other  
23 obligations issued by a municipality ~~((pursuant to))~~ under this  
24 chapter ~~((: PROVIDED, That such bonds and other obligations shall be  
25 secured by an agreement between the issuer and the federal government  
26 in which the issuer agrees to borrow from the federal government and  
27 the federal government agrees to lend to the issuer, prior to the  
28 maturity of such bonds or other obligations, moneys in an amount which  
29 (together with any other moneys irrevocably committed to the payment of  
30 interest on such bonds or other obligations) will suffice to pay the  
31 principal of such bonds or other obligations with interest to maturity  
32 thereon, which moneys under the terms of said agreement are required to  
33 be used for the purpose of paying the principal of, and the interest  
34 on, such bonds or other obligations at their maturity))~~). Such bonds  
35 and other obligations shall be authorized security for all public  
36 deposits. It is the purpose of this section to authorize any persons,  
37 political subdivisions, and officers, public or private, to use any  
38 funds owned or controlled by them for the purchase of any such bonds or

1 other obligations. Nothing contained in this section with regard to  
2 legal investments shall be construed as relieving any person of any  
3 duty of exercising reasonable care in selecting securities.

4 NEW SECTION. **Sec. 13.** A new section is added to chapter 35.81 RCW  
5 to read as follows:

6 (1) A community renewal agency may establish local improvement  
7 districts within the community renewal area, and levy special  
8 assessments, in annual installments extending over a period not  
9 exceeding twenty years on all property specially benefited by the local  
10 improvement, on the basis of special benefits, to pay in whole or in  
11 part the damages or costs of the local improvement, and issue local  
12 improvement bonds to be paid from local improvement assessments. The  
13 formation of the local improvement districts, the determination, levy,  
14 and collection of such assessments, and the issuance of such bonds  
15 shall be as provided for the formation of local improvement districts,  
16 the determination, levy, and collection of local improvement  
17 assessments, and the issuance of local improvement bonds by cities and  
18 towns, insofar as consistent with this chapter. These bonds may be in  
19 any form, including bearer bonds or registered bonds as provided in RCW  
20 39.46.030.

21 (2) Notwithstanding subsection (1) of this section, the bonds  
22 authorized under subsection (1) of this section may be issued and sold  
23 in accordance with chapter 39.46 RCW.

24 NEW SECTION. **Sec. 14.** A new section is added to chapter 35.81 RCW  
25 to read as follows:

26 Any notice given to the public or to the owners of specific lots,  
27 tracts, or parcels of land relating to the formation of a local  
28 improvement district created under section 13 of this act shall contain  
29 a statement that actual assessments may vary from assessment estimates  
30 so long as they do not exceed a figure equal to the increased benefit  
31 the improvement adds to the property.

32 **Sec. 15.** RCW 35.81.120 and 1965 c 7 s 35.81.120 are each amended  
33 to read as follows:

34 (1) All property of a municipality, including funds, owned or held  
35 by it for the purposes of this chapter, shall be exempt from levy and  
36 sale by virtue of an execution, and no execution or other judicial

1 process shall issue against the same nor shall judgment against a  
2 municipality be a charge or lien upon such property: PROVIDED, That  
3 the provisions of this section shall not apply to, or limit the right  
4 of, obligees to pursue any remedies for the enforcement of any pledge  
5 or lien given pursuant to this chapter by a municipality on its rents,  
6 fees, grants, or revenues from ((urban)) community renewal projects.

7 (2) The property of a municipality, acquired or held for the  
8 purposes of this chapter, is declared to be public property used for  
9 essential public and governmental purposes and such property shall be  
10 exempt from all taxes of the municipality, the county, the state, or  
11 any political subdivision thereof: PROVIDED, That such tax exemption  
12 shall terminate when the municipality sells, leases, or otherwise  
13 disposes of such property in ((an urban)) a community renewal area to  
14 a purchaser or lessee ((which)) that is not a public body or other  
15 organization normally entitled to tax exemption with respect to such  
16 property.

17 **Sec. 16.** RCW 35.81.130 and 1965 c 7 s 35.81.130 are each amended  
18 to read as follows:

19 ((+1)) For the purpose of aiding in the planning, undertaking, or  
20 carrying out of ((an urban)) a community renewal project located within  
21 the area in which it is authorized to act, any public body authorized  
22 by law or by this chapter, may, upon such terms, with or without  
23 consideration, as it may determine: ((+a)) (1) Dedicate, sell,  
24 convey, or lease any of its interest in any property, or grant  
25 easements, licenses, or other rights or privileges therein to a  
26 municipality or other public body; ((+b)) (2) incur the entire expense  
27 of any public improvements made by ((such)) a public body, in  
28 exercising the powers granted in this section; ((+c)) (3) do any and  
29 all things necessary to aid or cooperate in the planning or carrying  
30 out of ((an urban)) a community renewal plan; ((+d)) (4) lend, grant,  
31 or contribute funds, including without limitation any funds derived  
32 from bonds issued or other borrowings authorized in this chapter, to a  
33 municipality or other public body and, subject only to any applicable  
34 constitutional limits, to any other person; ((+e)) (5) enter into  
35 agreements (which may extend over any period, notwithstanding any  
36 provision or rule of law to the contrary) with a municipality or other  
37 public body respecting action to be taken pursuant to any of the powers  
38 granted by this chapter, including the furnishing of funds or other



1 assistance in connection with ~~((an urban))~~ a community renewal  
2 project~~((, and (f)))~~; (6) cause public building and public facilities,  
3 including parks, playgrounds, recreational, community, educational,  
4 water, sewer, or drainage facilities, or any other works ~~((which))~~ that  
5 it is otherwise empowered to undertake to be furnished; furnish,  
6 dedicate, close, vacate, pave, install, grade, regrade, plan, or replan  
7 streets, roads, sidewalks, ways, or other places; (7) abate  
8 environmental problems; (8) plan or replan, zone or rezone any part of  
9 the ~~((urban))~~ community renewal area; and (9) provide such  
10 administrative and other services as may be deemed requisite to the  
11 efficient exercise of the powers herein granted.

12 ~~((2) Any sale, conveyance, lease, or agreement provided for in~~  
13 ~~this section shall be made by a public body with appraisal, public~~  
14 ~~notice, advertisement, or public bidding in accordance with the~~  
15 ~~provisions of RCW 35.81.090(2).))~~

16 **Sec. 17.** RCW 35.81.150 and 1965 c 7 s 35.81.150 are each amended  
17 to read as follows:

18 (1) A municipality may itself exercise its ~~((urban))~~ community  
19 renewal project powers ~~((as herein defined))~~ or may, if the local  
20 governing body by ordinance or resolution determines such action to be  
21 in the public interest, elect to have such powers exercised by the  
22 ~~((urban))~~ community renewal agency ~~((created by RCW 35.81.160))~~ or a  
23 department or other officers of the municipality or by any ~~((existing))~~  
24 other public body ~~((corporate, as they are authorized to exercise under~~  
25 ~~this chapter))~~.

26 (2) In the event the local governing body ~~((makes such~~  
27 ~~determination))~~ determines to have the powers exercised by the  
28 community renewal agency, such body may authorize the ~~((urban))~~  
29 community renewal agency or department or other officers of the  
30 municipality to exercise any of the following ~~((urban))~~ community  
31 renewal project powers:

32 (a) To formulate and coordinate a workable program as specified in  
33 RCW 35.81.040.

34 (b) To prepare ~~((urban))~~ community renewal plans.

35 (c) To prepare recommended modifications to ~~((an urban))~~ a  
36 community renewal project plan.

37 (d) To undertake and carry out ~~((urban))~~ community renewal projects  
38 as required by the local governing body.

1       (e) To acquire, own, lease, encumber, and sell real or personal  
2 property. The agency may not acquire real or personal property using  
3 the eminent domain process, unless authorized independently of this  
4 chapter.

5       (f) To create local improvement districts under sections 13 and 14  
6 of this act.

7       (g) To issue bonds from time to time in its discretion to finance  
8 the undertaking of any community renewal project under this chapter.  
9 The bonds issued under this section must meet the requirements of RCW  
10 35.81.100.

11       (h) To make and execute contracts as specified in RCW 35.81.070,  
12 with the exception of contracts for the purchase or sale of real or  
13 personal property.

14       (~~(f)~~) (i) To disseminate blight clearance and (~~(urban)~~) community  
15 renewal information.

16       (~~(g)~~) (j) To exercise the powers prescribed by RCW 35.81.070(2),  
17 except the power to agree to conditions for federal financial  
18 assistance and imposed pursuant to federal law relating to salaries and  
19 wages, shall be reserved to the local governing body.

20       (~~(h)~~) (k) To enter any building or property, in any (~~(urban)~~)  
21 community renewal area, in order to make surveys and appraisals in the  
22 manner specified in RCW 35.81.070(~~(3)~~) (6).

23       (~~(i)~~) (l) To improve, clear, or prepare for redevelopment any  
24 real or personal property in (~~(an urban)~~) a community renewal area.

25       (~~(j)~~) (m) To insure real or personal property as provided in RCW  
26 35.81.070(~~(3)~~) (6).

27       (~~(k)~~) (n) To effectuate the plans provided for in RCW  
28 35.81.070(~~(6)~~) (9).

29       (~~(l)~~) (o) To prepare plans for the relocation of families  
30 displaced from (~~(an urban)~~) a community renewal area and to coordinate  
31 public and private agencies in such relocation.

32       (~~(m)~~) (p) To prepare plans for carrying out a program of  
33 voluntary or compulsory repair and rehabilitation of buildings and  
34 improvements.

35       (~~(n)~~) (q) To conduct appraisals, title searches, surveys,  
36 studies, and other preliminary plans and work necessary to prepare for  
37 the undertaking of (~~(urban)~~) community renewal projects.

38       (~~(o)~~) (r) To negotiate for the acquisition of land.

1       (~~(p)~~) (s) To study the closing, vacating, planning, or replanning  
2 of streets, roads, sidewalks, ways, or other places and to make  
3 recommendations with respect thereto.

4       (~~(q)~~) (t) To provide financial and technical assistance to a  
5 person or public body, for the purpose of creating or retaining jobs,  
6 a substantial portion of which, as determined by the municipality,  
7 shall be for persons of low income.

8       (u) To make payments, grants, and other assistance to, or contract  
9 with, existing or new owners and tenants of property in the community  
10 renewal area, under RCW 35.81.070.

11       (v) To organize, coordinate, and direct the administration of the  
12 provisions of this chapter.

13       (~~(r)~~) (w) To perform such duties as the local governing body may  
14 direct so as to make the necessary arrangements for the exercise of the  
15 powers and the performance of the duties and responsibilities entrusted  
16 to the local governing body.

17       Any powers granted in this chapter that are not included in (~~RCW~~  
18 ~~35.81.150(2)~~) this subsection (2) as powers of the (~~urban~~) community  
19 renewal agency or a department or other officers of a municipality in  
20 lieu thereof(~~(7)~~) may only be exercised by the local governing body or  
21 other officers, boards, and commissions as provided (~~(under existing)~~)  
22 by law.

23       **Sec. 18.** RCW 35.81.160 and 1965 c 7 s 35.81.160 are each amended  
24 to read as follows:

25       (1) When a municipality has made the finding prescribed in RCW  
26 35.81.050 and has elected to have the (~~urban~~) community renewal  
27 project powers, as specified in RCW 35.81.150, exercised, such  
28 (~~urban~~) community renewal project powers may be assigned to a  
29 department or other officers of the municipality or to any existing  
30 public body corporate, or the legislative body of a (~~city~~)  
31 municipality may create (~~(an urban)~~) a community renewal agency in such  
32 municipality to be known as a public body corporate to which such  
33 powers may be assigned.

34       (2) If the (~~urban~~) community renewal agency is authorized to  
35 transact business and exercise powers (~~(hereunder)~~) under this chapter,  
36 the mayor, by and with the advice and consent of the local governing  
37 body, shall appoint a board of commissioners of the (~~urban~~) community  
38 renewal agency which shall consist of five commissioners. The initial

1 membership shall consist of one commissioner appointed for one year,  
2 one for two years, one for three years, and two for four years; and  
3 each appointment thereafter shall be for four years, except that in the  
4 case of death, incapacity, removal, or resignation of a commissioner,  
5 the replacement may be appointed to serve the remainder of the  
6 commissioner's term.

7 (3) A commissioner shall receive no compensation for ~~((his))~~  
8 services but shall be entitled to the necessary expenses, including  
9 traveling expenses, incurred in the discharge of his or her duties.  
10 Each commissioner shall hold office until ~~((his))~~ a successor has been  
11 appointed and has qualified. A certificate of the appointment or  
12 reappointment of any commissioner shall be filed with the clerk of the  
13 municipality and such certificate shall be conclusive evidence of the  
14 due and proper appointment of such commissioner.

15 The powers and responsibilities of ~~((an urban))~~ a community renewal  
16 agency shall be exercised by the commissioners thereof. A majority of  
17 the commissioners shall constitute a quorum for the purpose of  
18 conducting business and exercising the powers and responsibilities of  
19 the agency and for all other purposes. Action may be taken by the  
20 agency upon a vote of a majority of the commissioners present, unless  
21 in any case the bylaws shall require a larger number. Any persons may  
22 be appointed as commissioners if they reside within the municipality.

23 The ~~((urban))~~ community renewal agency or department or officers  
24 exercising ~~((urban))~~ community renewal project powers shall be staffed  
25 with the necessary technical experts and such other agents and  
26 employees, permanent and temporary, as it may require. An agency  
27 authorized to transact business and exercise powers under this chapter  
28 shall file, with the local governing body, on or before March 31st of  
29 each year, a report of its activities for the preceding calendar year,  
30 which report shall include a complete financial statement setting forth  
31 its assets, liabilities, income, and operating expense as of the end of  
32 such calendar year. At the time of filing the report, the agency shall  
33 publish in a legal newspaper ~~((of general circulation))~~ in the  
34 community a notice to the effect that such report has been filed with  
35 the municipality and that the report is available for inspection during  
36 business hours in the office of the ~~((city))~~ clerk of the municipality  
37 and in the office of the agency.

1 (4) For inefficiency, neglect of duty, or misconduct in office, a  
2 commissioner may be removed by the legislative body of the  
3 municipality.

4 **Sec. 19.** RCW 35.81.170 and 1965 c 7 s 35.81.170 are each amended  
5 to read as follows:

6 For all of the purposes of this chapter, no person shall, because  
7 of race, creed, color, sex, or national origin, be subjected to any  
8 discrimination.

9 **Sec. 20.** RCW 35.81.180 and 1965 c 7 s 35.81.180 are each amended  
10 to read as follows:

11 No ~~((public))~~ official~~((\_))~~ or department or division head of a  
12 municipality or ~~((urban))~~ community renewal agency or department or  
13 officers ~~((which have been vested by a municipality with urban))~~ with  
14 responsibility for making or supervising any decisions in the exercise  
15 of community renewal project powers and responsibilities under RCW  
16 35.81.150~~((\_))~~ shall voluntarily acquire any interest, direct or  
17 indirect, in any ~~((urban))~~ community renewal project, or in any  
18 property included or planned to be included in any ~~((urban))~~ community  
19 renewal project of such municipality, or in any contract or proposed  
20 contract in connection with such ~~((urban))~~ community renewal project.  
21 ~~((Where))~~ Whether or not such an acquisition is ~~((not))~~ voluntary, the  
22 ~~((interest acquired))~~ person acquiring it shall ~~((be))~~ immediately  
23 ~~((disclosed))~~ disclose the interest acquired in writing to the local  
24 governing body and such disclosure shall be entered upon the minutes of  
25 the governing body. If any such official~~((\_))~~ or department or  
26 division head owns or controls, or owned or controlled within two years  
27 prior to the date of the first public hearing on the ~~((urban))~~  
28 community renewal project, any interest, direct or indirect, in any  
29 property ~~((which))~~ that he or she knows is included in ~~((an urban))~~ a  
30 community renewal project, he or she shall immediately disclose this  
31 fact in writing to the local governing body, and such disclosure shall  
32 be entered upon the minutes of the governing body, and any such  
33 official~~((\_))~~ or department or division head shall not participate in  
34 any action on that particular project by the municipality or ~~((urban))~~  
35 community renewal agency~~((, department, or officers which have been~~  
36 ~~vested with urban renewal project powers by the municipality pursuant~~  
37 ~~to the provisions of RCW 35.81.150. A majority of the commissioners of~~

1 ~~an urban renewal agency exercising powers pursuant to this chapter~~  
2 ~~shall not hold any other public office under the municipality other~~  
3 ~~than their commissionership or office with respect to such urban~~  
4 ~~renewal agency, department, or officers)). Any willful violation of~~  
5 the provisions of this section shall constitute misconduct in office.

6 **Sec. 21.** RCW 35.81.910 and 1965 c 7 s 35.81.910 are each amended  
7 to read as follows:

8 This chapter shall be known and may be cited as the "~~((Urban))~~  
9 Community Renewal Law."

10 **Sec. 22.** RCW 35.82.070 and 1993 c 478 s 17 are each amended to  
11 read as follows:

12 An authority shall constitute a public body corporate and politic,  
13 exercising public and essential governmental functions, and having all  
14 the powers necessary or convenient to carry out and effectuate the  
15 purposes and provisions of this chapter, including the following powers  
16 in addition to others herein granted:

17 (1) To sue and be sued; to have a seal and to alter the same at  
18 pleasure; to have perpetual succession; to make and execute contracts  
19 and other instruments, including but not limited to partnership  
20 agreements and joint venture agreements, necessary or convenient to the  
21 exercise of the powers of the authority; to participate in the  
22 organization or the operation of a nonprofit corporation which has as  
23 one of its purposes to provide or assist in the provision of housing  
24 for persons of low income; and to make and from time to time amend and  
25 repeal bylaws, rules and regulations, not inconsistent with this  
26 chapter, to carry into effect the powers and purposes of the authority.

27 (2) Within its area of operation: To prepare, carry out, acquire,  
28 lease and operate housing projects; to provide for the construction,  
29 reconstruction, improvement, alteration or repair of any housing  
30 project or any part thereof; to agree to rent or sell dwellings forming  
31 part of the projects to or for persons of low income. Where an  
32 agreement or option is made to sell a dwelling to a person of low  
33 income, the authority may convey the dwelling to the person upon  
34 fulfillment of the agreement irrespective of whether the person is at  
35 the time of the conveyance a person of low income. Leases, options,  
36 agreements, or conveyances may include such covenants as the authority

1 deems appropriate to assure the achievement of the objectives of this  
2 chapter.

3 (3) To acquire, lease, rent, sell, or otherwise dispose of any  
4 commercial space located in buildings or structures containing a  
5 housing project or projects.

6 (4) To arrange or contract for the furnishing by any person or  
7 agency, public or private, of services, privileges, works, or  
8 facilities for, or in connection with, a housing project or the  
9 occupants thereof; and (notwithstanding anything to the contrary  
10 contained in this chapter or in any other provision of law) to include  
11 in any contract let in connection with a project, stipulations  
12 requiring that the contractor and any subcontractors comply with  
13 requirements as to minimum wages and maximum hours of labor, and comply  
14 with any conditions which the federal government may have attached to  
15 its financial aid of the project.

16 (5) To lease or rent any dwellings, houses, accommodations, lands,  
17 buildings, structures or facilities embraced in any housing project and  
18 (subject to the limitations contained in this chapter) to establish and  
19 revise the rents or charges therefor; to own or manage buildings  
20 containing a housing project or projects as well as commercial space or  
21 other dwelling units that do not constitute a housing project as that  
22 term is defined in this chapter(~~(:—PROVIDED, That))~~). However,  
23 notwithstanding the provisions under subsection (1) of this section,  
24 dwelling units made available or sold to persons of low income,  
25 together with functionally related and subordinate facilities, shall  
26 occupy at least fifty percent of the interior space in the total  
27 development owned by the authority or at least fifty percent of the  
28 total number of units in the development owned by the authority,  
29 whichever produces the greater number of units for persons of low  
30 income, and for mobile home parks, the mobile home lots made available  
31 to persons of low income shall be at least fifty percent of the total  
32 number of mobile home lots in the park owned by the authority; to own,  
33 hold, and improve real or personal property; to purchase, lease, obtain  
34 options upon, acquire by gift, grant, bequest, devise, or otherwise  
35 including financial assistance and other aid from the state or any  
36 public body, person or corporation, any real or personal property or  
37 any interest therein; to acquire by the exercise of the power of  
38 eminent domain any real property; to sell, lease, exchange, transfer,  
39 assign, pledge, or dispose of any real or personal property or any

1 interest therein; to sell, lease, exchange, transfer, or dispose of any  
2 real or personal property or interest therein at less than fair market  
3 value to a governmental entity for any purpose when such action assists  
4 the housing authority in carrying out its powers and purposes under  
5 this chapter, to a low-income person or family for the purpose of  
6 providing housing for that person or family, or to a nonprofit  
7 corporation provided the nonprofit corporation agrees to sell the  
8 property to a low-income person or family or to use the property for  
9 the provision of housing for persons of low income for at least twenty  
10 years; to insure or provide for the insurance of any real or personal  
11 property or operations of the authority against any risks or hazards;  
12 to procure or agree to the procurement of insurance or guarantees from  
13 the federal government of the payment of any bonds or parts thereof  
14 issued by an authority, including the power to pay premiums on any such  
15 insurance.

16 (6) To invest any funds held in reserves or sinking funds, or any  
17 funds not required for immediate disbursement, in property or  
18 securities in which savings banks may legally invest funds subject to  
19 their control; to purchase its bonds at a price not more than the  
20 principal amount thereof and accrued interest, all bonds so purchased  
21 to be canceled.

22 (7) Within its area of operation: To investigate into living,  
23 dwelling and housing conditions and into the means and methods of  
24 improving such conditions; to determine where slum areas exist or where  
25 there is a shortage of decent, safe and sanitary dwelling  
26 accommodations for persons of low income; to make studies and  
27 recommendations relating to the problem of clearing, replanning and  
28 reconstructing of slum areas, and the problem of providing dwelling  
29 accommodations for persons of low income, and to cooperate with the  
30 city, the county, the state or any political subdivision thereof in  
31 action taken in connection with such problems; and to engage in  
32 research, studies and experimentation on the subject of housing.

33 (8) Acting through one or more commissioners or other person or  
34 persons designated by the authority: To conduct examinations and  
35 investigations and to hear testimony and take proof under oath at  
36 public or private hearings on any matter material for its information;  
37 to administer oaths, issue subpoenas requiring the attendance of  
38 witnesses or the production of books and papers and to issue  
39 commissions for the examination of witnesses who are outside of the



1 state or unable to attend before the authority, or excused from  
2 attendance; to make available to appropriate agencies (including those  
3 charged with the duty of abating or requiring the correction of  
4 nuisances or like conditions, or of demolishing unsafe or insanitary  
5 structures within its area of operation) its findings and  
6 recommendations with regard to any building or property where  
7 conditions exist which are dangerous to the public health, morals,  
8 safety or welfare.

9 (9) To initiate eviction proceedings against any tenant as provided  
10 by law. Activity occurring in any housing authority unit that  
11 constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall  
12 constitute a nuisance for the purpose of RCW 59.12.030(5).

13 (10) To exercise all or any part or combination of powers herein  
14 granted.

15 No provisions of law with respect to the acquisition, operation or  
16 disposition of property by other public bodies shall be applicable to  
17 an authority unless the legislature shall specifically so state.

18 (11) To agree (notwithstanding the limitation contained in RCW  
19 35.82.210) to make such payments in lieu of taxes as the authority  
20 finds consistent with the achievement of the purposes of this chapter.

21 (12) Upon the request of a county or city, to exercise any powers  
22 of ~~((an urban))~~ a community renewal agency under chapter 35.81 RCW or  
23 a public corporation, commission, or authority under chapter 35.21 RCW.  
24 ~~((However, in the exercise of any such powers the housing authority  
25 shall be subject to any express limitations contained in this  
26 chapter.))~~

27 (13) To exercise the powers granted in this chapter within the  
28 boundaries of any city, town, or county not included in the area in  
29 which such housing authority is originally authorized to function:  
30 PROVIDED, HOWEVER, The governing or legislative body of such city,  
31 town, or county, as the case may be, adopts a resolution declaring that  
32 there is a need for the authority to function in such territory.

33 (14) To administer contracts for assistance payments to persons of  
34 low income in accordance with section 8 of the United States Housing  
35 Act of 1937, as amended by Title II, section 201 of the Housing and  
36 Community Development Act of 1974, P.L. 93-383.

37 (15) To sell at public or private sale, with or without public  
38 bidding, for fair market value, any mortgage or other obligation held  
39 by the authority.

1 (16) To the extent permitted under its contract with the holders of  
2 bonds, notes, and other obligations of the authority, to consent to any  
3 modification with respect to rate of interest, time and payment of any  
4 installment of principal or interest security, or any other term of any  
5 contract, mortgage, mortgage loan, mortgage loan commitment, contract  
6 or agreement of any kind to which the authority is a party.

7 (17) To make, purchase, participate in, invest in, take assignments  
8 of, or otherwise acquire loans to persons of low income to enable them  
9 to acquire, construct, reconstruct, rehabilitate, improve, lease, or  
10 refinance their dwellings, and to take such security therefor as is  
11 deemed necessary and prudent by the authority.

12 (18) To make, purchase, participate in, invest in, take assignments  
13 of, or otherwise acquire loans for the acquisition, construction,  
14 reconstruction, rehabilitation, improvement, leasing, or refinancing of  
15 land, buildings, or developments for housing for persons of low income.  
16 For purposes of this subsection, development shall include either land  
17 or buildings or both.

18 (a) Any development financed under this subsection shall be subject  
19 to an agreement that for at least twenty years the dwelling units made  
20 available to persons of low income together with functionally related  
21 and subordinate facilities shall occupy at least fifty percent of the  
22 interior space in the total development or at least fifty percent of  
23 the total number of units in the development, whichever produces the  
24 greater number of units for persons of low income. For mobile home  
25 parks, the mobile home lots made available to persons of low income  
26 shall be at least fifty percent of the total number of mobile home lots  
27 in the park. During the term of the agreement, the owner shall use its  
28 best efforts in good faith to maintain the dwelling units or mobile  
29 home lots required to be made available to persons of low income at  
30 rents affordable to persons of low income. The twenty-year requirement  
31 under this subsection (18)(a) shall not apply when an authority  
32 finances the development by nonprofit corporations or governmental  
33 units of dwellings or mobile home lots intended for sale to persons of  
34 low and moderate income, and shall not apply to construction or other  
35 short-term financing provided to nonprofit corporations or governmental  
36 units when the financing has a repayment term of one year or less.

37 (b) In addition, if the development is owned by a for-profit  
38 entity, the dwelling units or mobile home lots required to be made  
39 available to persons of low income shall be rented to persons whose

1 incomes do not exceed fifty percent of the area median income, adjusted  
2 for household size, and shall have unit or lot rents that do not exceed  
3 fifteen percent of area median income, adjusted for household size,  
4 unless rent subsidies are provided to make them affordable to persons  
5 of low income.

6 For purposes of this subsection (18)(b), if the development is  
7 owned directly or through a partnership by a governmental entity or a  
8 nonprofit organization, which nonprofit organization is itself not  
9 controlled by a for-profit entity or affiliated with any for-profit  
10 entity that a nonprofit organization itself does not control, it shall  
11 not be treated as being owned by a for-profit entity when the  
12 governmental entity or nonprofit organization exercises legal control  
13 of the ownership entity and in addition, (i) the dwelling units or  
14 mobile home lots required to be made available to persons of low income  
15 are rented to persons whose incomes do not exceed sixty percent of the  
16 area median income, adjusted for household size, and (ii) the  
17 development is subject to an agreement that transfers ownership to the  
18 governmental entity or nonprofit organization or extends an irrevocable  
19 right of first refusal to purchase the development under a formula for  
20 setting the acquisition price that is specified in the agreement.

21 (c) Commercial space in any building financed under this subsection  
22 that exceeds four stories in height shall not constitute more than  
23 twenty percent of the interior area of the building. Before financing  
24 any development under this subsection the authority shall make a  
25 written finding that financing is important for project feasibility or  
26 necessary to enable the authority to carry out its powers and purposes  
27 under this chapter.

28 (19) To contract with a public authority or corporation, created by  
29 a county, city, or town under RCW 35.21.730 through 35.21.755, to act  
30 as the developer for new housing projects or improvement of existing  
31 housing projects.

32 **Sec. 23.** RCW 35.21.730 and 1985 c 332 s 1 are each amended to read  
33 as follows:

34 In order to improve the administration of authorized federal grants  
35 or programs, to improve governmental efficiency and services, or to  
36 improve the general living conditions in the urban areas of the state,  
37 any city, town, or county may by lawfully adopted ordinance or  
38 resolution:

1 (1) Transfer to any public corporation, commission, or authority  
2 created ((hereunder)) under this section, with or without  
3 consideration, any funds, real or personal property, property  
4 interests, or services;

5 (2) Organize and participate in joint operations or cooperative  
6 organizations funded by the federal government when acting solely as  
7 coordinators or agents of the federal government;

8 (3) Continue federally-assisted programs, projects, and activities  
9 after expiration of contractual term or after expending allocated  
10 federal funds as deemed appropriate to fulfill contracts made in  
11 connection with such agreements or as may be proper to permit an  
12 orderly readjustment by participating corporations, associations, or  
13 individuals;

14 (4) Enter into contracts with public corporations, commissions, and  
15 authorities for the purpose of exercising any powers of a community  
16 renewal agency under chapter 35.81 RCW; and

17 (5) Create public corporations, commissions, and authorities to:  
18 Administer and execute federal grants or programs; receive and  
19 administer private funds, goods, or services for any lawful public  
20 purpose; and perform any lawful public purpose or public function. The  
21 ordinance or resolution shall limit the liability of such public  
22 corporations, commissions, and authorities to the assets and properties  
23 of such public corporation, commission, or authority in order to  
24 prevent recourse to such cities, towns, or counties or their assets or  
25 credit.

26 **Sec. 24.** RCW 35.21.745 and 1985 c 332 s 2 are each amended to read  
27 as follows:

28 (1) Any city, town, or county which shall create a public  
29 corporation, commission, or authority pursuant to RCW 35.21.730 or  
30 35.21.660, shall provide for its organization and operations and shall  
31 control and oversee its operation and funds in order to correct any  
32 deficiency and to assure that the purposes of each program undertaken  
33 are reasonably accomplished.

34 (2) Any public corporation, commission, or authority created as  
35 provided in RCW 35.21.730 may be empowered to own and sell real and  
36 personal property; to contract with a city, town, or county to conduct  
37 community renewal activities under chapter 35.81 RCW; to contract with  
38 individuals, associations, and corporations, and the state and the

1 United States; to sue and be sued; to loan and borrow funds and issue  
2 bonds and other instruments evidencing indebtedness; transfer any  
3 funds, real or personal property, property interests, or services; to  
4 do anything a natural person may do; and to perform all manner and type  
5 of community services(~~(:—PROVIDED, That such)~~). However, the public  
6 corporation, commission, or authority shall have no power of eminent  
7 domain nor any power to levy taxes or special assessments.

8 **Sec. 25.** RCW 35.57.020 and 1999 c 165 s 2 are each amended to read  
9 as follows:

10 (1) A public facilities district is authorized to acquire,  
11 construct, own, remodel, maintain, equip, reequip, repair, finance, and  
12 operate one or more regional centers. For purposes of this chapter,  
13 "regional center" means a convention, conference, or special events  
14 center, or any combination of facilities, and related parking  
15 facilities, serving a regional population constructed, improved, or  
16 rehabilitated after July 25, 1999, at a cost of at least ten million  
17 dollars, including debt service. "Regional center" also includes an  
18 existing convention, conference, or special events center, and related  
19 parking facilities, serving a regional population, that is improved or  
20 rehabilitated after July 25, 1999, where the costs of improvement or  
21 rehabilitation are at least ten million dollars, including debt  
22 service. A regional center is conclusively presumed to serve a  
23 regional population if state and local government investment in the  
24 construction, improvement, or rehabilitation of the regional center is  
25 equal to or greater than ten million dollars.

26 (2) A public facilities district may enter into contracts with any  
27 city or town for the purpose of exercising any powers of a community  
28 renewal agency under chapter 35.81 RCW.

29 (3) A public facilities district may impose charges and fees for  
30 the use of its facilities, and may accept and expend or use gifts,  
31 grants, and donations for the purpose of a regional center.

32 (~~((+3))~~) (4) A public facilities district may impose charges, fees,  
33 and taxes authorized in RCW 35.57.040, and use revenues derived  
34 therefrom for the purpose of paying principal and interest payments on  
35 bonds issued by the public facilities district to construct a regional  
36 center.

37 (~~((+4))~~) (5) Notwithstanding the establishment of a career, civil,  
38 or merit service system, a public facilities district may contract with

1 a public or private entity for the operation or management of its  
2 public facilities.

3 ~~((+5+))~~ (6) A public facilities district is authorized to use the  
4 supplemental alternative public works contracting procedures set forth  
5 in chapter 39.10 RCW in connection with the design, construction,  
6 reconstruction, remodel, or alteration of any regional center.

7 **Sec. 26.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each  
8 amended to read as follows:

9 (1) A public facilities district may be created in any county and  
10 shall be coextensive with the boundaries of the county.

11 (2) A public facilities district shall be created upon adoption of  
12 a resolution providing for the creation of such a district by the  
13 county legislative authority in which the proposed district is located.

14 (3) A public facilities district is a municipal corporation, an  
15 independent taxing "authority" within the meaning of Article VII,  
16 section 1 of the state Constitution, and a "taxing district" within the  
17 meaning of Article VII, section 2 of the state Constitution.

18 (4) No taxes authorized under this chapter may be assessed or  
19 levied unless a majority of the voters of the public facilities  
20 district has approved such tax at a general or special election. A  
21 single ballot proposition may both validate the imposition of the sales  
22 and use tax under RCW 82.14.048 and the excise tax under RCW  
23 36.100.040.

24 (5) A public facilities district shall constitute a body corporate  
25 and shall possess all the usual powers of a corporation for public  
26 purposes as well as all other powers that may now or hereafter be  
27 specifically conferred by statute, including, but not limited to, the  
28 authority to hire employees, staff, and services, to enter into  
29 contracts, and to sue and be sued.

30 (6) A public facilities district may enter into contracts with a  
31 county for the purpose of exercising any powers of a community renewal  
32 agency under chapter 35.81 RCW.

33 (7) The county legislative authority or the city council may  
34 transfer property to the public facilities district created under this  
35 chapter. No property that is encumbered with debt or that is in need  
36 of major capital renovation may be transferred to the district without  
37 the agreement of the district and revenues adequate to retire the  
38 existing indebtedness.

1        NEW SECTION.    **Sec. 27.**    A new section is added to chapter 53.08 RCW  
2 to read as follows:

3        A port district may enter into a contract with any city, town, or  
4 county for the purpose of exercising any powers of a community renewal  
5 agency under chapter 35.81 RCW.

6        NEW SECTION.    **Sec. 28.**    If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10       NEW SECTION.    **Sec. 29.**    (1) This act does not impair any authority  
11 granted, any actions undertaken, or any liability or obligation  
12 incurred under the sections amended in this act or under any rule,  
13 order, plan, or project adopted under those sections, nor does it  
14 impair any proceedings instituted under those sections.

15       (2) Any power granted in this act with respect to a community  
16 renewal plan, and any process authorized for the exercise of the power,  
17 may be used by any municipality in implementing any urban renewal plan  
18 or project adopted under chapter 35.81 RCW, to the same extent as if  
19 the plan were adopted as a community renewal plan.

20       (3) This act shall be liberally construed.

21       NEW SECTION.    **Sec. 30.**    (1) RCW 35.81.010 is recodified as RCW  
22 35.81.015.

23       (2) RCW 35.81.020 is recodified as RCW 35.81.005.

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