
SENATE BILL 5254

State of Washington 65th Legislature 2017 Regular Session

By Senators Fain, Palumbo, Zeiger, Angel, Hobbs, and Mullet

Read first time 01/18/17. Referred to Committee on Local Government.

1 AN ACT Relating to ensuring adequacy of buildable lands and
2 zoning in urban growth areas and providing funding for low-income
3 housing and homelessness programs; amending RCW 36.70A.115,
4 36.70A.215, 36.70A.070, 47.80.023, 36.70A.210, 43.62.035, 36.70A.110,
5 36.22.179, 82.46.037, 43.185C.030, 43.185C.040, 43.185C.160,
6 36.22.178, 36.22.1791, 43.185C.240, 43.21C.440, and 43.21C.229;
7 adding a new section to chapter 43.185C RCW; adding a new chapter to
8 Title 84 RCW; and creating new sections.

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

10 **Sec. 1.** RCW 36.70A.115 and 2009 c 121 s 3 are each amended to
11 read as follows:

12 (1) Counties and cities that are required or choose to plan under
13 RCW 36.70A.040 shall ensure that, taken collectively, adoption of and
14 amendments to their comprehensive plans and/or development
15 regulations provide sufficient capacity of land suitable for
16 development within their jurisdictions to accommodate their allocated
17 housing and employment growth, including the accommodation of, as
18 appropriate, the medical, governmental, educational, institutional,
19 commercial, and industrial facilities related to such growth, as
20 adopted in the applicable countywide planning policies and consistent
21 with the twenty-year population forecast from the office of financial

1 management. Counties, and the cities within those counties, that are
2 subject to the review and evaluation program of RCW 36.70A.215, shall
3 also utilize the review and evaluation criteria set forth in RCW
4 36.70A.215(3) when conducting the land capacity analysis required by
5 this section.

6 (2) This chapter does not prevent a county or city that is
7 required to or chooses to plan under RCW 36.70A.040 from planning to
8 accommodate more than its allocated housing and/or employment growth.

9 **Sec. 2.** RCW 36.70A.215 and 2011 c 353 s 3 are each amended to
10 read as follows:

11 (1) Subject to the limitations in subsection (7) of this section,
12 a county shall adopt, in consultation with its cities, countywide
13 planning policies to establish a review and evaluation program. This
14 program shall be in addition to the requirements of RCW 36.70A.110,
15 36.70A.130, and 36.70A.210. In developing and implementing the review
16 and evaluation program required by this section, the county and its
17 cities shall consider information from other appropriate
18 jurisdictions and sources. The purpose of the review and evaluation
19 program shall be to:

20 (a) Determine whether a county and its cities are achieving urban
21 densities within urban growth areas by comparing growth and
22 development assumptions, targets, and objectives contained in the
23 countywide planning policies and the county and city comprehensive
24 plans with actual growth and development that has occurred in the
25 county and its cities; and

26 (b) Identify reasonable measures, other than adjusting urban
27 growth areas, that will be taken to comply with the requirements of
28 this chapter.

29 (2) The review and evaluation program shall:

30 (a) Encompass land uses and activities both within and outside of
31 urban growth areas and provide for annual collection of data on urban
32 and rural land uses, development, critical areas, and capital
33 facilities to the extent necessary to determine the quantity and type
34 of land suitable for development, both for residential and
35 employment-based activities;

36 (b) Provide for evaluation of the data collected under (a) of
37 this subsection as provided in subsection (3) of this section. The
38 evaluation shall be completed no later than one year prior to the
39 deadline for review and, if necessary, update of comprehensive plans

1 and development regulations as required by RCW 36.70A.130. The county
2 and its cities may establish in the countywide planning policies
3 indicators, benchmarks, and other similar criteria to use in
4 conducting the evaluation;

5 (c) Provide for methods to resolve disputes among jurisdictions
6 relating to the countywide planning policies required by this section
7 and procedures to resolve inconsistencies in collection and analysis
8 of data; and

9 (d) Provide for the amendment of the countywide policies and
10 county and city comprehensive plans as needed to remedy an
11 inconsistency identified through the evaluation required by this
12 section, or to bring these policies into compliance with the
13 requirements of this chapter.

14 (3) At a minimum, the evaluation component of the program
15 required by subsection (1) of this section shall:

16 (a) Determine whether there is sufficient suitable land to
17 accommodate the countywide population projection established for the
18 county pursuant to RCW 43.62.035 and the subsequent population
19 allocations within the county and between the county and its cities
20 and the requirements of RCW 36.70A.110, and this determination is
21 required to include the following factors:

22 (i) Utilize a reasonable land market supply factor that reduces
23 the amount of land suitable to accommodate new development, which
24 reasonable land market supply factor must include an assessment of
25 the willingness of existing landowners to develop, redevelop, or sell
26 their property for development or redevelopment, including but not
27 limited to both consumption demand (i.e., satisfying the housing
28 market demand for development and redevelopment parcels) and the
29 reductions that occur due to speculative demand (i.e., the demand
30 driven by owners' decisions to hold property for potential higher
31 future returns). However, if a percentage factor for speculative
32 demand cannot be calculated based on local data, then a factor of
33 fifty percent must be used;

34 (ii) When determining a redevelopment threshold (i.e., a ratio of
35 existing improvement value to land value), adjust that threshold to
36 recognize that even with an identical redevelopment threshold ratio,
37 smaller lots and lots in less expensive areas are less likely to
38 redevelop than larger lots and lots in more expensive areas;

39 (iii) When determining a redevelopment threshold, adjust that
40 threshold to recognize a percentage of land available for

1 redevelopment will be redeveloped in its entirety, whereas another
2 percentage will retain an existing improvement, with additional
3 development added to only a portion of the site;

4 (iv) Utilize adjustments that incorporate the likelihood that
5 redevelopment will not occur if the costs to redevelop will exceed
6 the likely profit to be made;

7 (v) Utilize adjustments that evaluate the adequacy of
8 infrastructure currently available to serve property, including but
9 not limited to transportation, water, sewer, and stormwater, and the
10 cost to provide new or upgraded infrastructure if required to serve
11 redevelopment;

12 (vi) Utilize adjustments for the types of housing and commercial
13 development that may drive development patterns that are different
14 than the initial analysis concludes, including variations in type of
15 development and variations in migration patterns, and household size
16 and income, and market demand for different types of housing,
17 including detached, attached low-rise, attached mid-rise, and
18 attached high-rise housing; and

19 (vii) Utilize adjustments that address physical factors of
20 certain properties which, while not protected critical areas, still
21 limit desirability or the profitability of land for development or
22 redevelopment;

23 (b) Determine the actual density of housing that has been
24 constructed and the actual amount of land developed for commercial
25 and industrial uses within the urban growth area since the adoption
26 of a comprehensive plan under this chapter or since the last periodic
27 evaluation as required by subsection (1) of this section; and

28 (c) Based on the actual density of development as determined
29 under (b) of this subsection, review commercial, industrial, and
30 housing needs by type and density range to determine the amount of
31 land needed for commercial, industrial, and housing for the remaining
32 portion of the twenty-year planning period used in the most recently
33 adopted comprehensive plan.

34 (4) If the evaluation required by subsection (3) of this section
35 demonstrates an inconsistency between what has occurred since the
36 adoption of the countywide planning policies and the county and city
37 comprehensive plans and development regulations and what was
38 envisioned in those policies and plans and the planning goals and the
39 requirements of this chapter, as the inconsistency relates to the
40 evaluation factors specified in subsection (3) of this section, the

1 county and its cities shall adopt and implement measures that are
2 reasonably likely to increase consistency during the subsequent five-
3 year period. If necessary, a county, in consultation with its cities
4 as required by RCW 36.70A.210, shall adopt amendments to countywide
5 planning policies to increase consistency. The county and its cities
6 shall annually monitor the measures adopted under this subsection to
7 determine their effect and may revise or rescind them as appropriate.

8 ~~(5)((a) Not later than July 1, 1998, the department shall~~
9 ~~prepare a list of methods used by counties and cities in carrying out~~
10 ~~the types of activities required by this section. The department~~
11 ~~shall provide this information and appropriate technical assistance~~
12 ~~to counties and cities required to or choosing to comply with the~~
13 ~~provisions of this section.~~

14 ~~(b) By December 31, 2007, the department shall submit to the~~
15 ~~appropriate committees of the legislature a report analyzing the~~
16 ~~effectiveness of the activities described in this section in~~
17 ~~achieving the goals envisioned by the countywide planning policies~~
18 ~~and the comprehensive plans and development regulations of the~~
19 ~~counties and cities.)~~ Counties and cities required to complete the
20 review and evaluation process in subsection (3) of this section
21 shall, at the request of school districts or port districts, also
22 complete an evaluation to determine the adequacy of land within urban
23 growth areas suitable for (a) new or expanded public schools; and (b)
24 industrial uses by port districts. The methodology for this review
25 shall be developed pursuant to subsection (8) of this section.

26 (6) From funds appropriated by the legislature for the 2017-2019
27 fiscal biennium for this purpose, the department shall provide grants
28 to counties, cities, and regional planning organizations required
29 under subsection (7) of this section to conduct the review and
30 perform the evaluation required by this section. This review must be
31 completed by June 30, 2018.

32 (7) The provisions of this section shall apply to counties, and
33 the cities within those counties, that were greater than one hundred
34 fifty thousand in population in 1995 as determined by office of
35 financial management population estimates and that are located west
36 of the crest of the Cascade mountain range, and to counties and
37 cities within those counties located east of the crest of the Cascade
38 mountain range that were greater than one hundred seventy-five
39 thousand in population in 2015 as determined by the office of
40 financial management population estimates. Any other county planning

1 under RCW 36.70A.040 may carry out the review, evaluation, and
2 amendment programs and procedures as provided in this section.

3 (8) The department of commerce, through a contract with the urban
4 land institute, shall develop guidance for local governments on the
5 evaluation program in subsections (3) and (5) of this section. The
6 department of commerce shall enable appropriate public participation
7 by affected stakeholders in the development of the guidance. This
8 guidance must be completed by December 1, 2017.

9 **Sec. 3.** RCW 36.70A.070 and 2015 c 241 s 2 are each amended to
10 read as follows:

11 The comprehensive plan of a county or city that is required or
12 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
13 and descriptive text covering objectives, principles, and standards
14 used to develop the comprehensive plan. The plan shall be an
15 internally consistent document and all elements shall be consistent
16 with the future land use map. A comprehensive plan shall be adopted
17 and amended with public participation as provided in RCW 36.70A.140.
18 Each comprehensive plan shall include a plan, scheme, or design for
19 each of the following:

20 (1) A land use element designating the proposed general
21 distribution and general location and extent of the uses of land,
22 where appropriate, for agriculture, timber production, housing,
23 commerce, industry, recreation, open spaces, general aviation
24 airports, public utilities, public facilities, and other land uses.
25 The land use element shall include population densities, building
26 intensities, and estimates of future population growth. The land use
27 element shall provide for protection of the quality and quantity of
28 groundwater used for public water supplies. Wherever possible, the
29 land use element should consider utilizing urban planning approaches
30 that promote physical activity. Where applicable, the land use
31 element shall review drainage, flooding, and storm water run-off in
32 the area and nearby jurisdictions and provide guidance for corrective
33 actions to mitigate or cleanse those discharges that pollute waters
34 of the state, including Puget Sound or waters entering Puget Sound.

35 (2) A housing element ensuring the vitality and character of
36 established residential neighborhoods that: (a) Includes an inventory
37 and analysis of existing and projected housing needs that identifies
38 the number of housing units necessary to manage projected growth; (b)
39 includes a statement of goals, policies, objectives, and mandatory

1 provisions for the preservation, improvement, and development of
2 housing, including single-family residences; (c) identifies
3 sufficient land for housing, including, but not limited to,
4 government-assisted housing, housing for low-income families,
5 manufactured housing, multifamily housing, and group homes and foster
6 care facilities; and (d) makes adequate provisions for existing and
7 projected needs of all economic segments of the community.

8 (i) After July 1, 2019, counties and cities subject to this
9 section must conduct a housing supply and affordability review and
10 amend comprehensive plans and development regulations to encourage
11 increased supply of residential housing whenever the following
12 population and housing market conditions occur:

13 (A) The office of financial management's annual forecast shows
14 that actual population within that county is higher than the office
15 of financial management's twenty-year population forecast used by the
16 county and cities in its current comprehensive plan; or

17 (B) The housing affordability index for that county is less than
18 one hundred; and

19 (C) Less than four months of residential inventory is available
20 within that county for two out of the last six quarters.

21 (ii) Counties and cities shall utilize data from the office of
22 financial management for purposes of evaluating (d)(i) of this
23 subsection.

24 (iii) The housing supply and affordability review must, at a
25 minimum, either increase the capacity for residential development to
26 accommodate the office of financial management's high population
27 estimate under RCW 43.62.035; or provide an analysis demonstrating
28 how that jurisdiction's inventory, affordability, or excess growth
29 can be addressed through other strategies.

30 (iv) Counties and cities are required to initiate adoption of a
31 housing supply and affordability review within three months of
32 meeting the criteria in (d)(i) of this subsection, and shall complete
33 adoption within one hundred eighty days. However, no local government
34 is required to implement this process more than twice during the
35 eight-year period between the mandatory comprehensive plan update
36 deadlines in RCW 36.70A.130(5).

37 (3) A capital facilities plan element consisting of: (a) An
38 inventory of existing capital facilities owned by public entities,
39 showing the locations and capacities of the capital facilities; (b) a
40 forecast of the future needs for such capital facilities; (c) the

1 proposed locations and capacities of expanded or new capital
2 facilities; (d) at least a six-year plan that will finance such
3 capital facilities within projected funding capacities and clearly
4 identifies sources of public money for such purposes; and (e) a
5 requirement to reassess the land use element if probable funding
6 falls short of meeting existing needs and to ensure that the land use
7 element, capital facilities plan element, and financing plan within
8 the capital facilities plan element are coordinated and consistent.
9 Park and recreation facilities shall be included in the capital
10 facilities plan element.

11 (4) A utilities element consisting of the general location,
12 proposed location, and capacity of all existing and proposed
13 utilities, including, but not limited to, electrical lines,
14 telecommunication lines, and natural gas lines.

15 (5) Rural element. Counties shall include a rural element
16 including lands that are not designated for urban growth,
17 agriculture, forest, or mineral resources. The following provisions
18 shall apply to the rural element:

19 (a) Growth management act goals and local circumstances. Because
20 circumstances vary from county to county, in establishing patterns of
21 rural densities and uses, a county may consider local circumstances,
22 but shall develop a written record explaining how the rural element
23 harmonizes the planning goals in RCW 36.70A.020 and meets the
24 requirements of this chapter.

25 (b) Rural development. The rural element shall permit rural
26 development, forestry, and agriculture in rural areas. The rural
27 element shall provide for a variety of rural densities, uses,
28 essential public facilities, and rural governmental services needed
29 to serve the permitted densities and uses. To achieve a variety of
30 rural densities and uses, counties may provide for clustering,
31 density transfer, design guidelines, conservation easements, and
32 other innovative techniques that will accommodate appropriate rural
33 densities and uses that are not characterized by urban growth and
34 that are consistent with rural character.

35 (c) Measures governing rural development. The rural element shall
36 include measures that apply to rural development and protect the
37 rural character of the area, as established by the county, by:

38 (i) Containing or otherwise controlling rural development;

39 (ii) Assuring visual compatibility of rural development with the
40 surrounding rural area;

1 (iii) Reducing the inappropriate conversion of undeveloped land
2 into sprawling, low-density development in the rural area;

3 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
4 and surface water and groundwater resources; and

5 (v) Protecting against conflicts with the use of agricultural,
6 forest, and mineral resource lands designated under RCW 36.70A.170.

7 (d) Limited areas of more intensive rural development. Subject to
8 the requirements of this subsection and except as otherwise
9 specifically provided in this subsection (5)(d), the rural element
10 may allow for limited areas of more intensive rural development,
11 including necessary public facilities and public services to serve
12 the limited area as follows:

13 (i) Rural development consisting of the infill, development, or
14 redevelopment of existing commercial, industrial, residential, or
15 mixed-use areas, whether characterized as shoreline development,
16 villages, hamlets, rural activity centers, or crossroads
17 developments.

18 (A) A commercial, industrial, residential, shoreline, or mixed-
19 use area are subject to the requirements of (d)(iv) of this
20 subsection, but are not subject to the requirements of (c)(ii) and
21 (iii) of this subsection.

22 (B) Any development or redevelopment other than an industrial
23 area or an industrial use within a mixed-use area or an industrial
24 area under this subsection (5)(d)(i) must be principally designed to
25 serve the existing and projected rural population.

26 (C) Any development or redevelopment in terms of building size,
27 scale, use, or intensity shall be consistent with the character of
28 the existing areas. Development and redevelopment may include changes
29 in use from vacant land or a previously existing use so long as the
30 new use conforms to the requirements of this subsection (5);

31 (ii) The intensification of development on lots containing, or
32 new development of, small-scale recreational or tourist uses,
33 including commercial facilities to serve those recreational or
34 tourist uses, that rely on a rural location and setting, but that do
35 not include new residential development. A small-scale recreation or
36 tourist use is not required to be principally designed to serve the
37 existing and projected rural population. Public services and public
38 facilities shall be limited to those necessary to serve the
39 recreation or tourist use and shall be provided in a manner that does
40 not permit low-density sprawl;

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

17 (iv) A county shall adopt measures to minimize and contain the
18 existing areas or uses of more intensive rural development, as
19 appropriate, authorized under this subsection. Lands included in such
20 existing areas or uses shall not extend beyond the logical outer
21 boundary of the existing area or use, thereby allowing a new pattern
22 of low-density sprawl. Existing areas are those that are clearly
23 identifiable and contained and where there is a logical boundary
24 delineated predominately by the built environment, but that may also
25 include undeveloped lands if limited as provided in this subsection.
26 The county shall establish the logical outer boundary of an area of
27 more intensive rural development. In establishing the logical outer
28 boundary, the county shall address (A) the need to preserve the
29 character of existing natural neighborhoods and communities, (B)
30 physical boundaries, such as bodies of water, streets and highways,
31 and land forms and contours, (C) the prevention of abnormally
32 irregular boundaries, and (D) the ability to provide public
33 facilities and public services in a manner that does not permit low-
34 density sprawl;

35 (v) For purposes of (d) of this subsection, an existing area or
36 existing use is one that was in existence:

37 (A) On July 1, 1990, in a county that was initially required to
38 plan under all of the provisions of this chapter;

1 (B) On the date the county adopted a resolution under RCW
2 36.70A.040(2), in a county that is planning under all of the
3 provisions of this chapter under RCW 36.70A.040(2); or

4 (C) On the date the office of financial management certifies the
5 county's population as provided in RCW 36.70A.040(5), in a county
6 that is planning under all of the provisions of this chapter pursuant
7 to RCW 36.70A.040(5).

8 (e) Exception. This subsection shall not be interpreted to permit
9 in the rural area a major industrial development or a master planned
10 resort unless otherwise specifically permitted under RCW 36.70A.360
11 and 36.70A.365.

12 (6) A transportation element that implements, and is consistent
13 with, the land use element.

14 (a) The transportation element shall include the following
15 subelements:

16 (i) Land use assumptions used in estimating travel;

17 (ii) Estimated traffic impacts to state-owned transportation
18 facilities resulting from land use assumptions to assist the
19 department of transportation in monitoring the performance of state
20 facilities, to plan improvements for the facilities, and to assess
21 the impact of land-use decisions on state-owned transportation
22 facilities;

23 (iii) Facilities and services needs, including:

24 (A) An inventory of air, water, and ground transportation
25 facilities and services, including transit alignments and general
26 aviation airport facilities, to define existing capital facilities
27 and travel levels as a basis for future planning. This inventory must
28 include state-owned transportation facilities within the city or
29 county's jurisdictional boundaries;

30 (B) Level of service standards for all locally owned arterials
31 and transit routes to serve as a gauge to judge performance of the
32 system. These standards should be regionally coordinated;

33 (C) For state-owned transportation facilities, level of service
34 standards for highways, as prescribed in chapters 47.06 and 47.80
35 RCW, to gauge the performance of the system. The purposes of
36 reflecting level of service standards for state highways in the local
37 comprehensive plan are to monitor the performance of the system, to
38 evaluate improvement strategies, and to facilitate coordination
39 between the county's or city's six-year street, road, or transit
40 program and the office of financial management's ten-year investment

1 program. The concurrency requirements of (b) of this subsection do
2 not apply to transportation facilities and services of statewide
3 significance except for counties consisting of islands whose only
4 connection to the mainland are state highways or ferry routes. In
5 these island counties, state highways and ferry route capacity must
6 be a factor in meeting the concurrency requirements in (b) of this
7 subsection;

8 (D) Specific actions and requirements for bringing into
9 compliance locally owned transportation facilities or services that
10 are below an established level of service standard;

11 (E) Forecasts of traffic for at least ten years based on the
12 adopted land use plan to provide information on the location, timing,
13 and capacity needs of future growth;

14 (F) Identification of state and local system needs to meet
15 current and future demands. Identified needs on state-owned
16 transportation facilities must be consistent with the statewide
17 multimodal transportation plan required under chapter 47.06 RCW;

18 (iv) Finance, including:

19 (A) An analysis of funding capability to judge needs against
20 probable funding resources;

21 (B) A multiyear financing plan based on the needs identified in
22 the comprehensive plan, the appropriate parts of which shall serve as
23 the basis for the six-year street, road, or transit program required
24 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
25 35.58.2795 for public transportation systems. The multiyear financing
26 plan should be coordinated with the ten-year investment program
27 developed by the office of financial management as required by RCW
28 47.05.030;

29 (C) If probable funding falls short of meeting identified needs,
30 a discussion of how additional funding will be raised, or how land
31 use assumptions will be reassessed to ensure that level of service
32 standards will be met;

33 (v) Intergovernmental coordination efforts, including an
34 assessment of the impacts of the transportation plan and land use
35 assumptions on the transportation systems of adjacent jurisdictions;

36 (vi) Demand-management strategies;

37 (vii) Pedestrian and bicycle component to include collaborative
38 efforts to identify and designate planned improvements for pedestrian
39 and bicycle facilities and corridors that address and encourage
40 enhanced community access and promote healthy lifestyles.

1 (b) After adoption of the comprehensive plan by jurisdictions
2 required to plan or who choose to plan under RCW 36.70A.040, local
3 jurisdictions must adopt and enforce ordinances which prohibit
4 development approval if the development causes the level of service
5 on a locally owned transportation facility to decline below the
6 standards adopted in the transportation element of the comprehensive
7 plan, unless transportation improvements or strategies to accommodate
8 the impacts of development are made concurrent with the development.
9 These strategies may include increased public transportation service,
10 ride-sharing programs, demand management, and other transportation
11 systems management strategies. For the purposes of this subsection
12 (6), "concurrent with the development" means that improvements or
13 strategies are in place at the time of development, or that a
14 financial commitment is in place to complete the improvements or
15 strategies within six years. If the collection of impact fees is
16 delayed under RCW 82.02.050(3), the six-year period required by this
17 subsection (6)(b) must begin after full payment of all impact fees is
18 due to the county or city.

19 (c) The transportation element described in this subsection (6),
20 the six-year plans required by RCW 35.77.010 for cities, RCW
21 36.81.121 for counties, and RCW 35.58.2795 for public transportation
22 systems, and the ten-year investment program required by RCW
23 47.05.030 for the state, must be consistent.

24 (7) An economic development element establishing local goals,
25 policies, objectives, and provisions for economic growth and vitality
26 and a high quality of life. The element shall include: (a) A summary
27 of the local economy such as population, employment, payroll,
28 sectors, businesses, sales, and other information as appropriate; (b)
29 a summary of the strengths and weaknesses of the local economy
30 defined as the commercial and industrial sectors and supporting
31 factors such as land use, transportation, utilities, education,
32 workforce, housing, and natural/cultural resources; and (c) an
33 identification of policies, programs, and projects to foster economic
34 growth and development and to address future needs. A city that has
35 chosen to be a residential community is exempt from the economic
36 development element requirement of this subsection.

37 (8) A park and recreation element that implements, and is
38 consistent with, the capital facilities plan element as it relates to
39 park and recreation facilities. The element shall include: (a)
40 Estimates of park and recreation demand for at least a ten-year

1 period; (b) an evaluation of facilities and service needs; and (c) an
2 evaluation of intergovernmental coordination opportunities to provide
3 regional approaches for meeting park and recreational demand.

4 (9) It is the intent that new or amended elements required after
5 January 1, 2002, be adopted concurrent with the scheduled update
6 provided in RCW 36.70A.130. Requirements to incorporate any such new
7 or amended elements shall be null and void until funds sufficient to
8 cover applicable local government costs are appropriated and
9 distributed by the state at least two years before local government
10 must update comprehensive plans as required in RCW 36.70A.130.

11 **Sec. 4.** RCW 47.80.023 and 2009 c 515 s 15 are each amended to
12 read as follows:

13 Each regional transportation planning organization shall have the
14 following duties:

15 (1) Prepare and periodically update a transportation strategy for
16 the region. The strategy shall address alternative transportation
17 modes and transportation demand management measures in regional
18 corridors and shall recommend preferred transportation policies to
19 implement adopted growth strategies. The strategy shall serve as a
20 guide in preparation of the regional transportation plan. However, no
21 transportation or growth strategy may include or adopt a maximum
22 population, household, employment and/or job growth target applicable
23 to a regional transportation planning organization's member county,
24 city, or town comprehensive plan adopted pursuant to chapter 36.70A
25 RCW. Such a maximum target, whether adopted prior or subsequent to
26 the effective date of this section, is unenforceable.

27 (2) Prepare a regional transportation plan as set forth in RCW
28 47.80.030 that is consistent with countywide planning policies if
29 such have been adopted pursuant to chapter 36.70A RCW, with county,
30 city, and town comprehensive plans, and state transportation plans.

31 (3) Certify by December 31, 1996, that the transportation
32 elements of comprehensive plans adopted by counties, cities, and
33 towns within the region reflect the guidelines and principles
34 developed pursuant to RCW 47.80.026, are consistent with the adopted
35 regional transportation plan, and, where appropriate, conform with
36 the requirements of RCW 36.70A.070. In the exercise of its duties, a
37 regional transportation planning organization has no authority to
38 reject, disapprove, or condition or otherwise limit its approval of a
39 local government growth management comprehensive plan or element

1 thereof based on the local government's planning for population,
2 household, job and/or employment growth levels within a designated
3 urban growth area in excess of the population, household, job and/or
4 employment targets allocated to the local government pursuant to
5 chapter 36.70A RCW. Such a rejection, disapproval, or conditional
6 approval, whether adopted prior or subsequent to the effective date
7 of this section, is unenforceable.

8 (4) Where appropriate, certify that countywide planning policies
9 adopted under RCW 36.70A.210 and the adopted regional transportation
10 plan are consistent.

11 (5) Develop, in cooperation with the department of
12 transportation, operators of public transportation services and local
13 governments within the region, a six-year regional transportation
14 improvement program which proposes regionally significant
15 transportation projects and programs and transportation demand
16 management measures. The regional transportation improvement program
17 shall be based on the programs, projects, and transportation demand
18 management measures of regional significance as identified by transit
19 agencies, cities, and counties pursuant to RCW 35.58.2795, 35.77.010,
20 and 36.81.121, respectively, and any recommended programs or projects
21 identified by the agency council on coordinated transportation, as
22 provided in chapter 47.06B RCW, that advance special needs
23 coordinated transportation as defined in RCW 47.06B.012. The program
24 shall include a priority list of projects and programs, project
25 segments and programs, transportation demand management measures, and
26 a specific financial plan that demonstrates how the transportation
27 improvement program can be funded. The program shall be updated at
28 least every two years for the ensuing six-year period.

29 (6) Include specific opportunities and projects to advance
30 special needs coordinated transportation, as defined in RCW
31 47.06B.012, in the coordinated transit-human services transportation
32 plan, after providing opportunity for public comment.

33 (7) Designate a lead planning agency to coordinate preparation of
34 the regional transportation plan and carry out the other
35 responsibilities of the organization. The lead planning agency may be
36 a regional organization, a component county, city, or town agency, or
37 the appropriate Washington state department of transportation
38 district office.

1 (8) Review level of service methodologies used by cities and
2 counties planning under chapter 36.70A RCW to promote a consistent
3 regional evaluation of transportation facilities and corridors.

4 (9) Work with cities, counties, transit agencies, the department
5 of transportation, and others to develop level of service standards
6 or alternative transportation performance measures.

7 (10) Submit to the agency council on coordinated
8 transportation(~~(, as provided in chapter 47.06B RCW,)~~) beginning on
9 July 1, 2007, and every four years thereafter, an updated plan that
10 includes the elements identified by the council. Each regional
11 transportation planning organization must submit to the council every
12 two years a prioritized regional human service and transportation
13 project list.

14 (11) In the exercise of its duties and/or in the adoption of any
15 plan, guideline, principle, or strategy under the authority of this
16 chapter, a regional transportation planning organization has no
17 authority to adopt or determine maximum population, household,
18 employment and/or job growth targets applicable to the regional
19 transportation planning organization's member counties', cities', or
20 towns' comprehensive plans adopted pursuant to chapter 36.70A RCW.
21 Such a maximum target, whether adopted prior or subsequent to the
22 effective date of this section, is unenforceable.

23 **Sec. 5.** RCW 36.70A.210 and 2009 c 121 s 2 are each amended to
24 read as follows:

25 (1) The legislature recognizes that counties are regional
26 governments within their boundaries, and cities are primary providers
27 of urban governmental services within urban growth areas. For the
28 purposes of this section, a "countywide planning policy" is a written
29 policy statement or statements used solely for establishing a
30 countywide framework from which county and city comprehensive plans
31 are developed and adopted pursuant to this chapter. This framework
32 shall ensure that city and county comprehensive plans are consistent
33 as required in RCW 36.70A.100. Nothing in this section shall be
34 construed to alter the land-use powers of cities.

35 (2) The legislative authority of a county that plans under RCW
36 36.70A.040 shall adopt a countywide planning policy in cooperation
37 with the cities located in whole or in part within the county as
38 follows:

1 (a) No later than sixty calendar days from July 16, 1991, the
2 legislative authority of each county that as of June 1, 1991, was
3 required or chose to plan under RCW 36.70A.040 shall convene a
4 meeting with representatives of each city located within the county
5 for the purpose of establishing a collaborative process that will
6 provide a framework for the adoption of a countywide planning policy.
7 In other counties that are required or choose to plan under RCW
8 36.70A.040, this meeting shall be convened no later than sixty days
9 after the date the county adopts its resolution of intention or was
10 certified by the office of financial management.

11 (b) The process and framework for adoption of a countywide
12 planning policy specified in (a) of this subsection shall determine
13 the manner in which the county and the cities agree to all procedures
14 and provisions including but not limited to desired planning
15 policies, deadlines, ratification of final agreements and
16 demonstration thereof, and financing, if any, of all activities
17 associated therewith.

18 (c) If a county fails for any reason to convene a meeting with
19 representatives of cities as required in (a) of this subsection, the
20 governor may immediately impose any appropriate sanction or sanctions
21 on the county from those specified under RCW 36.70A.340.

22 (d) If there is no agreement by October 1, 1991, in a county that
23 was required or chose to plan under RCW 36.70A.040 as of June 1,
24 1991, or if there is no agreement within one hundred twenty days of
25 the date the county adopted its resolution of intention or was
26 certified by the office of financial management in any other county
27 that is required or chooses to plan under RCW 36.70A.040, the
28 governor shall first inquire of the jurisdictions as to the reason or
29 reasons for failure to reach an agreement. If the governor deems it
30 appropriate, the governor may immediately request the assistance of
31 the department of (~~community, trade, and economic development~~)
32 commerce to mediate any disputes that preclude agreement. If
33 mediation is unsuccessful in resolving all disputes that will lead to
34 agreement, the governor may impose appropriate sanctions from those
35 specified under RCW 36.70A.340 on the county, city, or cities for
36 failure to reach an agreement as provided in this section. The
37 governor shall specify the reason or reasons for the imposition of
38 any sanction.

39 (e) No later than July 1, 1992, the legislative authority of each
40 county that was required or chose to plan under RCW 36.70A.040 as of

1 June 1, 1991, or no later than fourteen months after the date the
2 county adopted its resolution of intention or was certified by the
3 office of financial management the county legislative authority of
4 any other county that is required or chooses to plan under RCW
5 36.70A.040, shall adopt a countywide planning policy according to the
6 process provided under this section and that is consistent with the
7 agreement pursuant to (b) of this subsection, and after holding a
8 public hearing or hearings on the proposed countywide planning
9 policy.

10 (3) A countywide planning policy shall at a minimum, address the
11 following:

12 (a) Policies to implement RCW 36.70A.110;

13 (b) Policies for promotion of contiguous and orderly development
14 and provision of urban services to such development;

15 (c) Policies for siting public capital facilities of a countywide
16 or statewide nature, including transportation facilities of statewide
17 significance as defined in RCW 47.06.140;

18 (d) Policies for countywide transportation facilities and
19 strategies;

20 (e) Policies that consider the need for affordable housing, such
21 as housing for all economic segments of the population and parameters
22 for its distribution;

23 (f) Policies for joint county and city planning within urban
24 growth areas;

25 (g) Policies for countywide economic development and employment,
26 which must include consideration of the future development of
27 commercial and industrial facilities; ~~((and))~~

28 (h) An analysis of the fiscal impact; and

29 (i) A process and schedule providing for consideration no more
30 frequently than once every year of updates, amendments, or revisions
31 of the countywide planning policy proposed by the county or any city
32 or town within the county.

33 (4) Federal agencies and Indian tribes may participate in and
34 cooperate with the countywide planning policy adoption process.
35 Adopted countywide planning policies shall be adhered to by state
36 agencies.

37 (5) Failure to adopt a countywide planning policy that meets the
38 requirements of this section may result in the imposition of a
39 sanction or sanctions on a county or city within the county, as
40 specified in RCW 36.70A.340. In imposing a sanction or sanctions, the

1 governor shall specify the reasons for failure to adopt a countywide
2 planning policy in order that any imposed sanction or sanctions are
3 fairly and equitably related to the failure to adopt a countywide
4 planning policy.

5 (6) Cities and the governor may appeal an adopted countywide
6 planning policy or the denial of a proposed update, revision, or
7 amendment to the growth management hearings board within sixty days
8 of the adoption of the countywide planning policy.

9 (7) Multicounty planning policies shall be adopted by two or more
10 counties, each with a population of four hundred fifty thousand or
11 more, with contiguous urban areas and may be adopted by other
12 counties, according to the process established under this section or
13 other processes agreed to among the counties and cities within the
14 affected counties throughout the multicounty region.

15 (8) No countywide or multicounty planning policy may adopt or
16 include maximum population, household, job, or employment targets
17 applicable to city or town growth management comprehensive plans, or
18 otherwise prevent cities or towns from planning for population,
19 household, job, and/or employment growth levels within a designated
20 urban growth area in excess of the growth targets allocated to the
21 local government pursuant to this chapter. Such a maximum target,
22 whether adopted prior or subsequent to the effective date of this
23 section, is unenforceable.

24 **Sec. 6.** RCW 43.62.035 and 1997 c 429 s 26 are each amended to
25 read as follows:

26 (1) The office of financial management shall determine the
27 population of each county of the state annually as of April 1st of
28 each year and on or before July 1st of each year shall file a
29 certificate with the secretary of state showing its determination of
30 the population for each county. The office of financial management
31 also shall determine the percentage increase in population for each
32 county over the preceding ten-year period, as of April 1st, and shall
33 file a certificate with the secretary of state by July 1st showing
34 its determination. ((At least once every five years or upon the
35 availability of decennial census data, whichever is later,)) In the
36 year prior to the year during which counties and cities within those
37 counties are required to review, and if needed, revise comprehensive
38 plans under RCW 36.70A.130(5) the office of financial management
39 shall prepare twenty-year growth management planning population

1 projections required by RCW 36.70A.110 for each county that adopts a
2 comprehensive plan under RCW 36.70A.040 and shall review these
3 projections with such counties and the cities in those counties
4 before final adoption. The county and its cities may provide to the
5 office such information as they deem relevant to the office's
6 projection, and the office shall consider and comment on such
7 information before adoption.

8 (2) Each projection shall be expressed as a reasonable range
9 developed within the standard state high and low projection. The
10 middle range shall represent the office's estimate of the most likely
11 population projection for the county. If any city or county believes
12 that a projection will not accurately reflect actual population
13 growth in a county, it may petition the office to revise the
14 projection accordingly. The office shall complete the first set of
15 ranges for every county by December 31, 1995.

16 (3) A comprehensive plan adopted or amended before December 31,
17 1995, shall not be considered to be in noncompliance with the twenty-
18 year growth management planning population projection if the
19 projection used in the comprehensive plan is in compliance with the
20 range later adopted under this section.

21 (4) In its annual population trends report, the office of
22 financial management shall include information for each county and
23 city relating to: (a) The actual population growth within each county
24 and city; (b) a comparison of job growth and housing growth; (c)
25 whether the population growth is more or less than the population
26 estimate used by the county in its most recent comprehensive plan;
27 (d) data on housing supply, including new single-family and
28 multifamily construction, and permitted but not yet constructed
29 housing units; (e) the housing affordability index for that county;
30 and (f) the residential housing inventory for that county, expressed
31 in months of inventory. The office of financial management shall use
32 information from the Runstad center for real estate studies at the
33 University of Washington, or a comparable data source.

34 **Sec. 7.** RCW 36.70A.110 and 2010 c 211 s 1 are each amended to
35 read as follows:

36 (1) Each county that is required or chooses to plan under RCW
37 36.70A.040 shall designate an urban growth area or areas within which
38 urban growth shall be encouraged and outside of which growth can
39 occur only if it is not urban in nature. Each city that is located in

1 such a county shall be included within an urban growth area. An urban
2 growth area may include more than a single city. An urban growth area
3 may include territory that is located outside of a city only if such
4 territory already is characterized by urban growth whether or not the
5 urban growth area includes a city, or is adjacent to territory
6 already characterized by urban growth, or is a designated new fully
7 contained community as defined by RCW 36.70A.350.

8 (2) Based upon the growth management population projection made
9 for the county by the office of financial management, the county and
10 each city within the county shall include areas and densities
11 sufficient to permit the urban growth that is projected to occur in
12 the county or city for the succeeding twenty-year period, except for
13 those urban growth areas contained totally within a national
14 historical reserve. As part of this planning process, each city
15 within the county must include areas sufficient to accommodate the
16 broad range of needs and uses that will accompany the projected urban
17 growth including, as appropriate, medical, governmental,
18 institutional, commercial, service, retail, and other nonresidential
19 uses. In addition to including areas and densities sufficient for
20 urban growth in the county or city for the succeeding twenty-year
21 period, each city and county for which actual population growth
22 exceeded planned growth during the prior year shall include
23 additional areas or densities capable of accommodating the amount of
24 actual residential growth that exceeded planned growth in the prior
25 year.

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

37 Within one year of July 1, 1990, each county that as of June 1,
38 1991, was required or chose to plan under RCW 36.70A.040, shall begin
39 consulting with each city located within its boundaries and each city
40 shall propose the location of an urban growth area. Within sixty days

1 of the date the county legislative authority of a county adopts its
2 resolution of intention or of certification by the office of
3 financial management, all other counties that are required or choose
4 to plan under RCW 36.70A.040 shall begin this consultation with each
5 city located within its boundaries. The county shall attempt to reach
6 agreement with each city on the location of an urban growth area
7 within which the city is located. If such an agreement is not reached
8 with each city located within the urban growth area, the county shall
9 justify in writing why it so designated the area an urban growth
10 area. A city may object formally with the department over the
11 designation of the urban growth area within which it is located.
12 Where appropriate, the department shall attempt to resolve the
13 conflicts, including the use of mediation services.

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

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

31 (5) On or before October 1, 1993, each county that was initially
32 required to plan under RCW 36.70A.040(1) shall adopt development
33 regulations designating interim urban growth areas under this
34 chapter. Within three years and three months of the date the county
35 legislative authority of a county adopts its resolution of intention
36 or of certification by the office of financial management, all other
37 counties that are required or choose to plan under RCW 36.70A.040
38 shall adopt development regulations designating interim urban growth
39 areas under this chapter. Adoption of the interim urban growth areas
40 may only occur after public notice; public hearing; and compliance

1 with the state environmental policy act, chapter 43.21C RCW, and
2 under this section. Such action may be appealed to the growth
3 management hearings board under RCW 36.70A.280. Final urban growth
4 areas shall be adopted at the time of comprehensive plan adoption
5 under this chapter.

6 (6) Each county shall include designations of urban growth areas
7 in its comprehensive plan.

8 (7) An urban growth area designated in accordance with this
9 section may include within its boundaries urban service areas or
10 potential annexation areas designated for specific cities or towns
11 within the county.

12 (8)(a) Except as provided in (b) of this subsection, the
13 expansion of an urban growth area is prohibited into the one hundred
14 year floodplain of any river or river segment that: (i) Is located
15 west of the crest of the Cascade mountains; and (ii) has a mean
16 annual flow of one thousand or more cubic feet per second as
17 determined by the department of ecology.

18 (b) Subsection (8)(a) of this section does not apply to:

19 (i) Urban growth areas that are fully contained within a
20 floodplain and lack adjacent buildable areas outside the floodplain;

21 (ii) Urban growth areas where expansions are precluded outside
22 floodplains because:

23 (A) Urban governmental services cannot be physically provided to
24 serve areas outside the floodplain; or

25 (B) Expansions outside the floodplain would require a river or
26 estuary crossing to access the expansion; or

27 (iii) Urban growth area expansions where:

28 (A) Public facilities already exist within the floodplain and the
29 expansion of an existing public facility is only possible on the land
30 to be included in the urban growth area and located within the
31 floodplain; or

32 (B) Urban development already exists within a floodplain as of
33 July 26, 2009, and is adjacent to, but outside of, the urban growth
34 area, and the expansion of the urban growth area is necessary to
35 include such urban development within the urban growth area; or

36 (C) The land is owned by a jurisdiction planning under this
37 chapter or the rights to the development of the land have been
38 permanently extinguished, and the following criteria are met:

39 (I) The permissible use of the land is limited to one of the
40 following: Outdoor recreation; environmentally beneficial projects,

1 including but not limited to habitat enhancement or environmental
2 restoration; storm water facilities; flood control facilities; or
3 underground conveyances; and

4 (II) The development and use of such facilities or projects will
5 not decrease flood storage, increase storm water runoff, discharge
6 pollutants to fresh or salt waters during normal operations or
7 floods, or increase hazards to people and property.

8 (c) For the purposes of this subsection (8), "one hundred year
9 floodplain" means the same as "special flood hazard area" as set
10 forth in WAC 173-158-040 as it exists on July 26, 2009.

11 **Sec. 8.** RCW 36.22.179 and 2014 c 200 s 1 are each amended to
12 read as follows:

13 (1) In addition to the surcharge authorized in RCW 36.22.178, and
14 except as provided in subsection (2) of this section, an additional
15 surcharge of ten dollars shall be charged by the county auditor for
16 each document recorded, which will be in addition to any other charge
17 allowed by law. From September 1, 2012, through June 30, ((2019))
18 2027, the surcharge shall be forty dollars. The funds collected
19 pursuant to this section are to be distributed and used as follows:

20 (a) The auditor shall ~~((retain two percent for collection of the~~
21 ~~fee, and of the remainder shall))~~ remit sixty percent to the county
22 to be deposited into a fund that must be used by the county and its
23 cities and towns to accomplish the purposes of chapter 484, Laws of
24 2005, six percent of which may be used by the county for the
25 collection and local distribution of these funds and administrative
26 costs related to its homeless housing plan, and the remainder for
27 programs which directly accomplish the goals of the county's local
28 homeless housing plan, except that for each city in the county which
29 elects as authorized in RCW 43.185C.080 to operate its own local
30 homeless housing program, a percentage of the surcharge assessed
31 under this section equal to the percentage of the city's local
32 portion of the real estate excise tax collected by the county shall
33 be transmitted at least quarterly to the city treasurer, without any
34 deduction for county administrative costs, for use by the city for
35 program costs which directly contribute to the goals of the city's
36 local homeless housing plan; of the funds received by the city, it
37 may use six percent for administrative costs for its homeless housing
38 program.

1 (b) The auditor shall remit the remaining funds to the state
2 treasurer for deposit in the home security fund account. The
3 department may use twelve and one-half percent of this amount for
4 administration of the program established in RCW 43.185C.020,
5 including the costs of creating the statewide homeless housing
6 strategic plan, measuring performance, providing technical assistance
7 to local governments, and managing the homeless housing grant
8 program. Of the remaining eighty-seven and one-half percent, at least
9 forty-five percent must be set aside for the use of private rental
10 housing payments, and the remainder is to be used by the department
11 to:

12 (i) Provide housing and shelter for homeless people including,
13 but not limited to: Grants to operate, repair, and staff shelters;
14 grants to operate transitional housing; partial payments for rental
15 assistance; consolidated emergency assistance; overnight youth
16 shelters; grants and vouchers designated for victims of human
17 trafficking and their families; and emergency shelter assistance; and

18 (ii) Fund the homeless housing grant program.

19 (2) The surcharge imposed in this section does not apply to (a)
20 assignments or substitutions of previously recorded deeds of trust,
21 (b) ~~((documents recording a birth, marriage, divorce, or death, (c))~~)
22 any recorded documents otherwise exempted from a recording fee or
23 additional surcharges under state law, ~~((d))~~ (c) marriage licenses
24 issued by the county auditor, or ~~((e))~~ (d) documents recording a
25 state, county, or city lien or satisfaction of lien.

26 **Sec. 9.** RCW 82.46.037 and 2016 c 138 s 4 are each amended to
27 read as follows:

28 (1) A city or county that meets the requirements of subsection
29 (2) of this section may use the greater of one hundred thousand
30 dollars or twenty-five percent of available funds, but not to exceed
31 one million dollars per year, from revenues collected under RCW
32 82.46.035 for:

33 (a) The maintenance of capital projects, as defined in RCW
34 82.46.035(5); ~~((e))~~

35 (b) From July 1, 2017, until June 30, 2019, the acquisition,
36 construction, improvement, or rehabilitation of facilities to provide
37 housing for the homeless; or

38 (c) The planning, acquisition, construction, reconstruction,
39 repair, replacement, rehabilitation, improvement, or maintenance of

1 capital projects as defined in RCW 82.46.010(6)(b) that are not also
2 included within the definition of capital projects in RCW
3 82.46.035(5).

4 (2) A city or county may use revenues pursuant to subsection (1)
5 of this section if:

6 (a) The city or county prepares a written report demonstrating
7 that it has or will have adequate funding from all sources of public
8 funding to pay for all capital projects, as defined in RCW
9 82.46.035(5), identified in its capital facilities plan for the
10 succeeding two-year period; and

11 (b)(i) The city or county has not enacted, after June 9, 2016,
12 any requirement on the listing or sale of real property; or any
13 requirement on landlords, at the time of executing a lease, to
14 perform or provide physical improvements or modifications to real
15 property or fixtures, except if necessary to address an immediate
16 threat to health or safety; ~~((or))~~

17 (ii) Any local requirement adopted by the city or county under
18 (b)(i) of this subsection is: Specifically authorized by RCW
19 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;
20 specifically authorized by other state or federal law; or a seller or
21 landlord disclosure requirement pursuant to RCW 64.06.080; or

22 (iii) For a city or county using funds under subsection (1)(b) of
23 this section, the requirements of this subsection apply, except that
24 the date for such enactment under (b)(i) of this subsection is ninety
25 days after the effective date of this section.

26 (3) The report prepared under subsection (2)(a) of this section
27 must: (a) Include information necessary to determine compliance with
28 the requirements of subsection (2)(a) of this section; (b) identify
29 how revenues collected under RCW 82.46.035 were used by the city or
30 county during the prior two-year period; (c) identify how funds
31 authorized under subsection (1) of this section will be used during
32 the succeeding two-year period; and (d) identify what percentage of
33 funding for capital projects within the city or county is
34 attributable to revenues under RCW 82.46.035 compared to all other
35 sources of capital project funding. The city or county must prepare
36 and adopt the report as part of its regular, public budget process.

37 ~~(4) ((The authority to use funds as authorized in this section is~~
38 ~~in addition to the authority to use funds pursuant to RCW~~
39 ~~82.46.035(7), which remains in effect through December 31, 2016.~~

1 ~~(5))~~) For purposes of this section, "maintenance" means the use
2 of funds for labor and materials that will preserve, prevent the
3 decline of, or extend the useful life of a capital project.
4 "Maintenance" does not include labor or material costs for routine
5 operations of a capital project.

6 NEW SECTION. **Sec. 10.** The legislature finds that:

7 (1) Families, senior citizens, and workers with fewer financial
8 resources are more likely to experience unhealthy and unsafe housing
9 conditions;

10 (2) Healthy homes promote good physical and mental health. When
11 adequate housing protects individuals and families from harmful
12 exposures and provides them with a sense of privacy, security,
13 stability, and control, it can make important contributions to health
14 and well-being;

15 (3) Affordable housing is a necessary component of strong,
16 thriving neighborhoods with healthy physical and social environments;

17 (4) Very low-income household renters should have the opportunity
18 to live in homes in neighborhoods close to major infrastructure
19 investments like transit, quality schools for children, and vital
20 services like health care, grocery shopping, and employment;

21 (5) Community members with critical occupations, senior citizens,
22 and families are struggling to afford rent around the state;

23 (6) Rising rents are causing the displacement of very low-income
24 household renters and long-time community members, risking the loss
25 of cultural communities;

26 (7) Property owners require additional resources to make health,
27 safety, and quality improvements to buildings without raising rents
28 to pay for repairs; and

29 (8) Communities need a wide range of local tools to create
30 healthy, affordable homes and address affordable housing needs.

31 NEW SECTION. **Sec. 11.** It is the purpose of this chapter to give
32 communities a local option to preserve and increase healthy, high-
33 quality affordable rental housing opportunities for very low-income
34 households for which the governing authority has found that there are
35 insufficient healthy affordable housing opportunities. It is also the
36 purpose of this chapter to ensure that housing opportunities are
37 affordable to renters at below-market rent levels, as determined by

1 the governing authority, with consideration of community needs,
2 market rental costs, and income levels of renters.

3 NEW SECTION. **Sec. 12.** The definitions in this section apply
4 throughout this chapter unless the context clearly requires
5 otherwise.

6 (1) "Energy and water efficiency standards" means housing that
7 meets standards substantially equivalent to evergreen sustainable
8 development standards, as established by the Washington state
9 department of commerce.

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

13 (3) "Health and quality standards" means standards substantially
14 equivalent to uniform physical condition standards, as established by
15 the United States department of housing and urban development, or the
16 national healthy housing standard, as established by the national
17 center for healthy housing and the American public health
18 association. Governing authority may use a residential housing
19 inspection program within the jurisdiction that has established the
20 tax exemption, as long as the standards are substantially equivalent
21 to uniform physical condition standards or the national healthy
22 housing standard.

23 (4) "High-cost area" means a county where the third quarter
24 median house price for the previous year as reported by the Runstad
25 center for real estate studies at the University of Washington is
26 equal to or greater than one hundred thirty percent of the statewide
27 median house price published during the same time period.

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

30 (6) "Multifamily dwelling" means a building consisting of more
31 than one dwelling unit, as further defined by the governing
32 authority.

33 (7) "Owner" means the property owner of record.

34 (8) "Permanent residential occupancy" means housing that provides
35 rental occupancy on a nontransient basis. "Permanent residential
36 occupancy" includes rental accommodation that is leased for a period
37 of at least one month. "Permanent residential occupancy" excludes
38 hotels and motels that predominately offer rental accommodation on a
39 daily or weekly basis.

1 (9) "Property" means a multifamily dwelling not designed as
2 transient accommodations, and the land upon which the dwelling is
3 located. "Property" excludes hotels or motels. "Property" may also
4 include a single-family dwelling and the land upon which the dwelling
5 is located if the governing authority adopts a program for such
6 property as provided in section 18(1)(e) of this act.

7 (10) "Rehabilitation improvements" means modifications to
8 existing property made to achieve substantial compliance with health
9 and quality standards or energy and water efficiency standards.

10 (11) "Single-family dwelling unit" means an individual detached
11 dwelling, as further defined by the governing authority.

12 (12) "Very low-income household" means a single person, family,
13 or unrelated persons living together whose adjusted income is at or
14 below fifty percent of the median family income adjusted for family
15 size, for the county in which the project is located, as reported by
16 the United States department of housing and urban development. For
17 cities located in high-cost areas, "very low-income household" means
18 a household that has an income at or below sixty percent of the
19 median family income adjusted for family size, for the county in
20 which the project is located.

21 NEW SECTION. **Sec. 13.** A city governing authority may adopt a
22 property tax exemption program to preserve affordable housing that
23 meets health and quality standards for very low-income households at
24 risk of displacement or that cannot afford market-rate housing. A
25 county governing authority may adopt a property tax exemption program
26 for unincorporated areas of the county to preserve affordable housing
27 that meets health and quality standards for very low-income
28 households at risk of displacement or that cannot afford market-rate
29 housing.

30 NEW SECTION. **Sec. 14.** (1) Upon adoption of a property tax
31 exemption program, the governing authority must establish standards
32 for very low-income household rental housing under this chapter,
33 including rent limits and income guidelines consistent with local
34 housing needs, to assist very low-income households that cannot
35 afford market-rate housing. Affordable housing units must be:

36 (a) Below market rent levels as determined by the governing
37 authority; and

1 (b) Affordable to households with an income of fifty percent or
2 less of the county median family income, adjusted for family size.

3 (2)(a) The governing authority, after holding a public hearing,
4 may also establish lower income levels or lower rent levels adjusted
5 to serve very low-income household renters in the community.

6 (b) The governing authority of a high-cost area, after holding a
7 public hearing, may also establish higher income levels. The higher
8 income level may not exceed sixty percent of the county area median
9 family income, adjusted for family size.

10 (3) Rent levels for affordable housing units may not exceed
11 thirty percent of the income limit for the low-income housing unit,
12 as established by the governing authority, and must include tenant-
13 paid utilities other than telephone and any mandatory fees required
14 as a condition of tenancy.

15 NEW SECTION. **Sec. 15.** (1) The value of residential real
16 property qualifying under this chapter is exempt from ad valorem
17 property taxation, except taxes levied by the state, for a period of
18 fifteen successive years beginning January 1st of the calendar year
19 immediately following the calendar year in which a certificate of tax
20 exemption is filed with the county assessor in accordance with
21 section 21 of this act.

22 (2) The governing authority may extend the duration of the
23 exemption period by three years for properties meeting energy and
24 water efficiency standards.

25 (3) The incentive provided under this chapter is in addition to
26 any tax credits, grants, or other incentives provided by law.

27 (4) This chapter neither applies to increases in assessed
28 valuation made by the assessor on nonqualifying portions of building
29 or land nor to increases made by lawful order of a county board of
30 equalization, the department of revenue, or a county, to a class of
31 property throughout the county or specific area of the county to
32 achieve the uniformity of assessment or appraisal required by law.

33 (5) The exemption does not apply to any county property tax
34 unless the legislative authority of the county adopts a resolution
35 and notifies the governing authority of the jurisdiction within the
36 county that has established a tax exempt program of its intent to
37 allow the property to be exempt.

1 (6) The governing authority must notify local taxing districts in
2 the designated exemption area when a tax exemption program is
3 established under this chapter.

4 NEW SECTION. **Sec. 16.** To be eligible for the exemption from
5 property taxation under this chapter, in addition to other
6 requirements set forth in this chapter, the property must be in
7 compliance with the following applicable requirements for the entire
8 exemption period:

9 (1) A minimum of twenty-five percent of units in a multiple-unit
10 property subject to tax exemption must be affordable as described in
11 section 14 of this act. A governing authority may require more than
12 twenty-five percent affordable units in multiple-unit housing
13 buildings subject to tax exemption to address local market
14 conditions. Affordable units must be comparable in terms of quality
15 and living conditions to market rate units in the building;

16 (2) At least ninety percent of the units of multiple-unit
17 property must be occupied by tenants at the time of application;

18 (3) The property must be part of a residential or mixed-use
19 (residential and nonresidential) project;

20 (4) The property must provide for a minimum of fifty percent of
21 the space in each building for permanent residential occupancy;

22 (5) The property must meet guidelines as adopted by the governing
23 authority that may include height, density, public benefit features,
24 number and size of proposed development, parking, income limits for
25 occupancy, limits on rents, health and quality standards, and other
26 adopted requirements indicated as necessary by the governing
27 authority. The required amenities should be relative to the size of
28 the project and tax benefit to be obtained; and

29 (6) The property owner must enter into a contract with the city
30 or county approved by the governing authority, or an administrative
31 official or commission authorized by the governing authority, under
32 which the property owner has agreed to terms and conditions
33 satisfactory to the governing authority.

34 NEW SECTION. **Sec. 17.** (1) To be eligible for the exemption from
35 taxation under this chapter, the property must also comply with all
36 applicable land use regulations, zoning requirements, and building
37 and housing code requirements, including space and occupancy,
38 structural, mechanical, fire, safety, and security standards, and

1 health and quality standards. The governing authority may establish
2 additional standards to meet local needs.

3 (2)(a) The governing authority may waive certain health and
4 quality standards for up to two years if the owner of the property
5 submits a rehabilitation plan to comply with health and quality
6 standards. The owner must notify the governing authority at the time
7 of completion of rehabilitation. The waiver of certain health and
8 quality standards only applies to rehabilitation improvements
9 specifically included in the rehabilitation plan.

10 (b) The governing authority must establish minimum health and
11 quality standards for properties to qualify for a waiver under (a) of
12 this subsection. The governing authority may not waive health and
13 quality standards that endanger or impair the health and safety of
14 any tenant.

15 (c) Nothing in this subsection may exempt or waive any
16 obligations under federal, state, and local laws.

17 (3) The property must be inspected for compliance with
18 subsections (1) and (2) of this section at the time of application
19 for tax exemption and, thereafter, as established by the governing
20 authority at least once every three years.

21 (4) If the governing authority grants a waiver of certain health
22 and quality standards under subsection (2) of this section, the
23 property must be inspected when the owner notifies the governing
24 authority that rehabilitation has been completed or at the end of the
25 waiver period, whichever occurs first.

26 (5) The governing authority or its duly authorized representative
27 may deny an application for tax exemption or revoke an existing
28 exemption under this chapter for failure to comply with health and
29 quality standards.

30 NEW SECTION. **Sec. 18.** (1) The governing authority may establish
31 additional requirements for tax exemption eligibility or program
32 rules under this chapter including, but not limited to:

33 (a) A limit on the total number of affordable housing units
34 subject to exemption under this chapter;

35 (b) The designation of targeted residential areas for property to
36 align with community needs, including to prevent displacement,
37 preserve cultural communities, and provide affordable housing options
38 near community infrastructure such as transportation or public
39 schools;

1 (c) Standards for property size, unit size, unit type, mix of
2 unit types, or mix of unit sizes;

3 (d) An exemption extension for property meeting minimum energy
4 and water efficiency standards substantially equivalent to evergreen
5 sustainable development building performance standards;

6 (e) A program for single-family dwelling rental units occupied by
7 tenants complying with affordability requirements under this chapter
8 as adopted by the governing authority;

9 (f) Any additional requirements to reduce displacement of very
10 low-income household tenants.

11 (2) The governing authority must adopt and implement standards
12 and guidelines to be utilized in considering applications and making
13 the determinations required under this chapter. The standards and
14 guidelines must establish basic requirements to include:

15 (a) An application process and procedures;

16 (b) Guidelines that may include height, density, public benefit
17 features, number and size of proposed development, parking, income
18 limits for occupancy, limits on rents, health and quality standards,
19 and other adopted requirements indicated as necessary by the
20 governing authority. The required amenities should be relative to the
21 size of the project and tax benefit to be obtained;

22 (c) An inspection policy and procedures to ensure the property
23 complies with housing and health and quality standards;

24 (d) Income and rent limits as required under section 14 of this
25 act; and

26 (e) Documentation necessary to establish income eligibility of
27 households in affordable housing units.

28 (3) Standards may apply to part or all of a jurisdiction and
29 different standards may be applied to different areas within a
30 jurisdiction or to different types of development. Programs
31 authorized under this section may be modified to meet local needs and
32 may include provisions not expressly provided in this section.

33 NEW SECTION. **Sec. 19.** An owner of property making an
34 application under this chapter must apply by August 1st of the year
35 prior to the first calendar year in which the taxes for collection
36 are to be considered for exemption and meet the following
37 requirements:

1 (1) The applicant must apply to the city or county on forms
2 adopted by the governing authority. The application must contain the
3 following:

4 (a) Information setting forth the grounds supporting the
5 requested exemption, including information indicated on the
6 application form or in the guidelines;

7 (b) A description of the project and site plan, including the
8 floor plan of units and other information requested;

9 (c) A statement that the applicant is aware of the potential tax
10 liability involved when the property ceases to be eligible for the
11 incentive provided under this chapter;

12 (d) When the governing authority finds that rehabilitation is
13 required to meet health and quality standards or evergreen
14 sustainable development building performance standards, a
15 rehabilitation plan outlining rehabilitation improvements, budget,
16 and proposed schedule for repairs; and

17 (e) A certification of family size and annual income in a form
18 acceptable to the governing authority for designated affordable
19 housing units;

20 (2) The applicant must verify the application by oath or
21 affirmation; and

22 (3) The applicant must submit a fee, if any, with the application
23 as required under this chapter. The governing authority may permit
24 the applicant to revise an application before final action by the
25 governing authority.

26 NEW SECTION. **Sec. 20.** (1) Upon receipt of an application
27 meeting the requirements of section 19 of this act, the governing
28 authority must inspect the property to certify compliance with health
29 and quality standards or to grant a waiver upon submission of a
30 rehabilitation plan by the owner of the property.

31 (2) The duly authorized administrative official or committee of
32 the governing authority may approve the application if it finds that:

33 (a) The property meets affordable housing requirements as
34 described in section 14 of this act;

35 (b) The property meets health and quality standards, or a waiver
36 is granted upon submission of a rehabilitation plan by the property
37 owner;

38 (c) The property rehabilitation plan is of appropriate scope to
39 be completed within the designated time frame of waiver and will

1 result in property compliance with health and quality standards, as
2 outlined in section 17 of this act; and

3 (d) The owner has complied with all standards and guidelines
4 adopted by the governing authority under this chapter.

5 NEW SECTION. **Sec. 21.** (1) The governing authority, or an
6 administrative official or commission authorized by the governing
7 authority, must approve or deny an application filed under this
8 chapter within one hundred twenty days. The governing authority may
9 adopt standards to extend the period to approve or deny an
10 application filed under this chapter for a property that does not
11 meet health and quality standards.

12 (2)(a) If the application is approved, the governing authority
13 must issue the owner of the property a certificate of tax exemption
14 and file the certificate of exemption with the county assessor no
15 later than December 1st of the year prior to the first calendar year
16 in which the taxes for collection are to be exempt. If the
17 certificate of exemption is filed after December 1st and before
18 January 1st, the certificate of exemption is deemed filed in the next
19 calendar year. The certificate must contain a statement by a duly
20 authorized administrative official of the governing authority that
21 the property has complied with the required findings indicated in
22 this chapter.

23 (b) The governing authority may issue a conditional certificate
24 of acceptance of tax exemption if a property must complete a
25 rehabilitation plan in order to comply with health and quality
26 standards. The rehabilitation must be completed within two years of
27 the date of application for a tax exemption.

28 (3)(a) If the application is denied by the authorized
29 administrative official or commission authorized by the governing
30 authority, the deciding administrative official or commission must
31 state in writing the reasons for denial and send the notice to the
32 applicant at the applicant's last known address within ten days of
33 the denial.

34 (b) Upon denial by the authorized administrative official or
35 commission, an applicant may appeal the denial to the governing
36 authority within thirty days after receipt of the denial. The appeal
37 before the governing authority must be based upon the record made
38 before the administrative official or commission with the burden of
39 proof on the applicant to show that there was no substantial evidence

1 to support the administrative official or commission's decision. The
2 decision of the governing body in denying or approving the
3 application is final.

4 NEW SECTION. **Sec. 22.** The governing authority may establish an
5 application fee or other fees to not exceed an amount determined to
6 be required to cover the cost to be incurred by the governing
7 authority and the assessor in administering this chapter. The
8 application fee, if established, must be paid at the time the
9 application is submitted. If the application is approved, the
10 governing authority must pay the application fee to the county
11 assessor for deposit in the county current expense fund, after first
12 deducting that portion of the fee attributable to its own
13 administrative costs in processing the application. If the
14 application is denied, the governing authority may retain that
15 portion of the application fee attributable to its own administrative
16 costs and refund the balance to the applicant.

17 NEW SECTION. **Sec. 23.** The authorized representative of the
18 governing authority must notify the applicant that a certificate of
19 tax exemption will be denied or canceled if the authorized
20 representative determines that:

21 (1) The affordable housing requirements as described in section
22 14 of this act were not met;

23 (2) The property did not meet health and quality standards; or

24 (3) The owner's property is otherwise not qualified for limited
25 exemption under this chapter.

26 NEW SECTION. **Sec. 24.** (1) The owner of property receiving a tax
27 exemption under this chapter must obtain from each tenant living in
28 designated affordable housing units, no less than annually, a
29 certification of family size and annual income in a form acceptable
30 to the governing authority.

31 (2) The property owner must file a report at least annually by a
32 date established by the governing authority indicating the following:

33 (a) Family size and annual income for each tenant living in
34 designated affordable housing rental units and a statement that the
35 property is in compliance with affordable housing requirements
36 described in section 14 of this act;

37 (b) A statement of occupancy and vacancy;

1 (c) A schedule of rents charged in market-rate units;

2 (d) A certification that the property has not changed use;

3 (e) A description of changes or improvements;

4 (f) When rehabilitation is required to meet health and quality
5 standards or evergreen sustainable development building performance
6 standards, a progress report on compliance with the rehabilitation
7 plan, budget, and proposed schedule for repairs; and

8 (g) Any other information required to determine compliance with
9 program requirements or to measure program performance.

10 (3) A governing authority that issues certificates of tax
11 exemption for property that conform to the requirements of this
12 chapter must report annually by July 1st to the department of
13 commerce the following information:

14 (a) The number of tax exemption certificates granted;

15 (b) The number and type of units in building properties receiving
16 a tax exemption;

17 (c) The number and type of units meeting affordable housing
18 requirements;

19 (d) The total monthly rent amount for each affordable and market-
20 rate unit; and

21 (e) The value of the tax exemption for each project receiving a
22 tax exemption and the total value of tax exemptions granted.

23 NEW SECTION. **Sec. 25.** (1) After a certificate of exemption has
24 been filed with the county assessor, the tax exemption must be
25 canceled by the authorized representative of the governing authority
26 under the following circumstances:

27 (a) The owner intends to convert the property to another use that
28 is not residential or the owner intends to discontinue compliance
29 with affordable housing requirements;

30 (b) The owner fails to file annual reports;

31 (c) The owner fails to maintain the property in substantial
32 compliance with all applicable local building, safety, and health
33 code requirements;

34 (d) The owner fails to complete rehabilitation improvements as
35 outlined in the rehabilitation plan; or

36 (e) The owner fails to meet affordable housing requirements.

37 (2)(a) Notification of a canceled certificate of exemption must
38 be made by the governing authority or authorized representative of
39 the governing authority to the county assessor within thirty days of

1 the cancellation. Upon notice of a canceled tax exemption
2 certificate, additional real property tax must be imposed upon the
3 value of the improvements and land that no longer qualify for
4 exemption under this chapter in the amount that would have been
5 imposed had the property not been exempt under this act, plus a
6 penalty of twenty percent of the additional tax. This additional tax
7 is calculated from January 1st of the year the certificate of tax
8 exemption first became effective.

9 (b) Interest must be included upon the amounts of the additional
10 tax at the same rate charged on delinquent property taxes from the
11 dates on which the additional tax could have been paid without
12 penalty if the property had been assessed at a value without regard
13 to this chapter.

14 (c) The additional tax, penalty, and interest must be collected
15 by the county treasurer. The additional tax must be distributed by
16 the county treasurer in the same manner in which current property
17 taxes applicable to the subject property are distributed. The
18 additional taxes, penalty, and interest must be payable in full
19 thirty days following the date on which the treasurer's statement of
20 additional tax due is issued.

21 (d) The additional tax owed together with the interest and
22 penalty becomes a lien on the land and attaches at the time the
23 property or portion of the property is removed from use as affordable
24 housing or the amenities no longer meet applicable requirements, and
25 has priority to and must be fully paid and satisfied before a
26 recognizance, mortgage, judgment, debt, obligation, or responsibility
27 to or with which the land may become charged or liable. The lien may
28 be foreclosed upon the expiration of the same period after
29 delinquency and in the same manner provided by law for foreclosure of
30 liens for delinquent real property taxes. An additional tax unpaid on
31 its due date is delinquent.

32 (e) The county auditor may not accept an instrument of conveyance
33 unless the additional tax, interest, and penalty has been paid or the
34 governing authority or authorized representative has determined that
35 the property is not subject to the additional tax, interest, or
36 penalty.

37 (f) A certificate of exemption may be continued for the remainder
38 of the exemption period upon sale or transfer of all or a portion of
39 the exempt property to a new owner, if the new owner has signed a
40 notice of exemption continuance. The notice of exemption continuance

1 must be in a form approved by the governing authority or its
2 authorized representative. If the notice of continuance is not signed
3 by the new owner and attached to the real estate excise tax
4 affidavit, all additional tax, penalty, and interest calculated in
5 accordance with this section become due and payable by the owner,
6 including the seller or transferor, at time of sale.

7 (3) Upon a determination that a property tax exemption is to be
8 canceled for any reason stated in this section, the governing
9 authority or authorized representative of the governing authority
10 must notify the record owner of the property as shown by the tax
11 rolls by mail, return receipt requested, of the determination to
12 cancel the exemption. The owner may appeal the determination to the
13 governing authority or authorized representative within thirty days
14 by filing a notice of appeal with the clerk of the governing
15 authority, which must specify the factual and legal basis on which
16 the determination of cancellation is alleged to be erroneous. The
17 governing authority or a hearing examiner or other official
18 authorized by the governing authority may hear the appeal. At the
19 hearing, all affected parties may be heard and all competent evidence
20 received. After the hearing, the deciding body or officer must either
21 affirm, modify, or repeal the decision of cancellation of exemption
22 based on the evidence received. An aggrieved party may appeal the
23 decision of the deciding body or officer to the superior court under
24 RCW 34.05.510 through 34.05.598.

25 (4) Upon the expiration of the exemption period or upon
26 cancellation of the exemption, the value of new construction or
27 improvements to the property, not previously considered as new
28 construction during the exemption period, must be considered as new
29 construction for purposes of calculating levies under chapter 84.55
30 RCW.

31 NEW SECTION. **Sec. 26.** Tenant identifying information and income
32 data obtained by the governing authority and the assessor may be used
33 only to administer this affordable housing exemption. Notwithstanding
34 any provision of law to the contrary, absent written consent by the
35 person about whom the information or facts have been obtained, the
36 tenant identifying information and income data may not be disclosed
37 by the jurisdiction or assessor or their agents or employees to
38 anyone other than their agents or employees except in an

1 administrative or judicial proceeding pertaining to the taxpayer's
2 entitlement to the tax exemption.

3 NEW SECTION. **Sec. 27.** The exemption in this chapter applies to
4 taxes levied for collection in 2018 and thereafter.

5 NEW SECTION. **Sec. 28.** In 2005, the state created the goal of
6 reducing homelessness in Washington state by fifty percent within ten
7 years. The legislature also recognized that the provision of housing
8 and housing-related services to the homeless should be administered
9 at the local level to meet the diverse needs across the state. The
10 state's responsibility was to coordinate, support, finance, and
11 monitor efforts to address homelessness issues.

12 During the past decade, the state has experienced an overall
13 decline in homelessness with some counties meeting or exceeding its
14 reduction goal. However, some counties have not only failed to
15 achieve reductions, but have experienced an increase in the number of
16 homeless families and individuals. Additionally, the number of
17 unsheltered and chronic homeless has increased in areas of the state
18 despite significant federal, state, and local financial resources
19 that have been invested in homelessness assistance. The dichotomy
20 between the resources expended and the results achieved warrants a
21 more frequent review of state and local homelessness strategies and
22 more transparent reporting of expenditures, performance, and outcomes
23 at the local level. Therefore, the legislature intends to review
24 state and local homelessness prevention, assistance, and housing
25 efforts on a more frequent basis to improve the development of cost-
26 effective programs and identification of best practices to expand
27 housing security across the state.

28 **Sec. 29.** RCW 43.185C.030 and 2013 c 200 s 25 are each amended to
29 read as follows:

30 (1) The department shall annually conduct a Washington homeless
31 census or count consistent with the requirements of RCW 43.185C.180.
32 The census shall make every effort to count all homeless individuals
33 living outdoors, in shelters, and in transitional housing,
34 coordinated, when reasonably feasible, with already existing homeless
35 census projects including those funded in part by the United States
36 department of housing and urban development under the McKinney-Vento
37 homeless assistance program. The department shall determine, in

1 consultation with local governments, the data to be collected. Data
2 on subpopulations and other characteristics of the homeless must, at
3 a minimum, be consistent with United States department of housing and
4 urban development requirements and include the following:

5 (a) Chronically homeless individuals;

6 (b) Chronically homeless families;

7 (c) Unaccompanied homeless youth;

8 (d) Male veterans;

9 (e) Female veterans;

10 (f) Adults with severe mental illness;

11 (g) Adults with chronic substance abuse issues;

12 (h) Adults with HIV/AIDS;

13 (i) Senior citizens; and

14 (j) Victims of domestic violence.

15 (2) All personal information collected in the census is
16 confidential, and the department and each local government shall take
17 all necessary steps to protect the identity and confidentiality of
18 each person counted.

19 (3) The department and each local government are prohibited from
20 disclosing any personally identifying information about any homeless
21 individual when there is reason to believe or evidence indicating
22 that the homeless individual is an adult or minor victim of domestic
23 violence, dating violence, sexual assault, or stalking or is the
24 parent or guardian of a child victim of domestic violence, dating
25 violence, sexual assault, or stalking; or revealing other
26 confidential information regarding HIV/AIDS status, as found in RCW
27 70.02.220. The department and each local government shall not ask any
28 homeless housing provider to disclose personally identifying
29 information about any homeless individuals when the providers
30 implementing those programs have reason to believe or evidence
31 indicating that those clients are adult or minor victims of domestic
32 violence, dating violence, sexual assault, or stalking or are the
33 parents or guardians of child victims of domestic violence, dating
34 violence, sexual assault, or stalking. Summary data for the
35 provider's facility or program may be substituted.

36 (4) The Washington homeless census shall be conducted annually on
37 a schedule created by the department. The department shall make
38 summary data by county available to the public each year. This data,
39 and its analysis, shall be included in the department's annual
40 updated homeless housing program strategic plan.

1 (5) Based on the annual census and provider information from the
2 local government plans, the department shall, by the end of year
3 four, implement an online information and referral system to enable
4 local governments and providers to identify available housing for a
5 homeless person. The department shall work with local governments and
6 their providers to develop a capacity for continuous case management
7 to assist homeless persons.

8 (6) By the end of year four, the department shall implement an
9 organizational quality management system.

10 (7) Subject to the availability of amounts appropriated for this
11 specific purpose, the department, in collaboration with the
12 Washington state institute for public policy, must conduct a
13 statewide homeless study every ten years to better understand the
14 causes and characteristics of the homeless in Washington state and
15 help decision makers promote efforts toward housing stability. The
16 purpose of the study is to: Supplement the current point-in-time
17 census and homeless client management information system by
18 conducting face-to-face interviews with people who are homeless or
19 have recently received homelessness assistance to gather an in-depth
20 assessment of why the individual is among the chronically homeless,
21 unaccompanied homeless youth, and unsheltered populations; review the
22 efficacy of current programs and services; and provide
23 recommendations on the type and timing of health and human service
24 interventions needed for these populations to gain housing stability.
25 The department and the Washington state institute for public policy
26 must develop a study proposal defining the study scope, methodology,
27 and costs for the legislature to review by January 1, 2019.

28 **Sec. 30.** RCW 43.185C.040 and 2015 c 69 s 25 are each amended to
29 read as follows:

30 (1) ~~((Six months after the first Washington homeless census,))~~
31 The department shall, in consultation with the interagency council on
32 homelessness and the affordable housing advisory board, prepare and
33 publish a ~~((ten-year))~~ five-year homeless housing strategic plan
34 which ~~((shall))~~ must outline statewide goals and performance measures
35 and ~~((shall))~~ must be coordinated with the plan for homeless families
36 with children required under RCW 43.63A.650. The state homeless
37 housing strategic plan must be submitted to the legislature by July
38 1, 2018, and every five years thereafter. The plan must include at
39 least the following information:

1 (a) Performance measures and goals to reduce homelessness,
2 including long-term and short-term goals;

3 (b) An analysis of the services and programs being offered at the
4 state and county level and an identification of those representing
5 best practices and outcomes;

6 (c) Recognition of services and programs targeted to certain
7 homeless populations or geographic areas in recognition of the
8 diverse needs across the state;

9 (d) New or innovative funding, program, or service strategies to
10 pursue;

11 (e) An analysis of current drivers of homelessness and/or
12 improvements to housing security such as increases and reductions to
13 employment opportunities, housing scarcity and affordability, health
14 and behavior health services, chemical dependency treatment, and
15 incarceration rates; and

16 (f) An implementation strategy outlining the roles and
17 responsibilities at the state and local level and timelines to
18 achieve a reduction in homelessness at the statewide level during
19 periods of the five-year homeless housing strategic plan.

20 (2) The department must coordinate its efforts on the state
21 homeless housing strategic plan with the office of homeless youth
22 prevention and protection programs advisory committee under RCW
23 43.330.705. The state homeless housing strategic plan must not
24 conflict with the strategies, planning, data collection, and
25 performance and outcome measures developed under RCW 43.330.705 and
26 43.330.706 to reduce the state's homeless youth population.

27 (3) To guide local governments in preparation of ((their first))
28 local homeless housing plans due December ((31, 2005)) 1, 2018, and
29 updated every five years thereafter, the department shall issue by
30 ((October 15, 2005)) December 1, 2017, ((temporary)) guidelines
31 consistent with this chapter and including the best available data on
32 each community's homeless population. ((Local governments' ten-year
33 homeless housing plans shall not be substantially inconsistent with
34 the goals and program recommendations of the temporary guidelines
35 and, when amended after 2005, the state strategic plan.

36 (2)) Program outcomes ((and)), performance measures, and goals
37 ((shall)) must be created by the department ((and reflected in the
38 department's homeless housing strategic plan as well as interim
39 goals)) in collaboration with local governments against which ((state

1 and)) local governments' performance ((may)) will be measured((
2 including:

3 ~~(a) By the end of year one, completion of the first census as~~
4 ~~described in RCW 43.185C.030;~~

5 ~~(b) By the end of each subsequent year, goals common to all local~~
6 ~~programs which are measurable and the achievement of which would move~~
7 ~~that community toward housing its homeless population; and~~

8 ~~(c) By July 1, 2015, reduction of the homeless population~~
9 ~~statewide and in each county by fifty percent)).~~

10 ((~~(3)~~)) (4) The department shall develop a consistent statewide
11 data gathering instrument to monitor the performance of cities and
12 counties receiving grants in order to determine compliance with the
13 terms and conditions set forth in the grant application or required
14 by the department.

15 ~~((The department shall, in consultation with the interagency~~
16 ~~council on homelessness and the affordable housing advisory board,~~
17 ~~report biennially to the governor and the appropriate committees of~~
18 ~~the legislature an assessment of the state's performance in~~
19 ~~furthering the goals of the state ten year homeless housing strategic~~
20 ~~plan and the performance of each participating local government in~~
21 ~~creating and executing a local homeless housing plan which meets the~~
22 ~~requirements of this chapter. The annual report may include~~
23 ~~performance measures such as:~~

24 ~~(a) The reduction in the number of homeless individuals and~~
25 ~~families from the initial count of homeless persons;~~

26 ~~(b) The reduction in the number of unaccompanied homeless youth.~~
27 ~~"Unaccompanied homeless youth" has the same meaning as in RCW~~
28 ~~43.330.702;~~

29 ~~(c) The number of new units available and affordable for homeless~~
30 ~~families by housing type;~~

31 ~~(d) The number of homeless individuals identified who are not~~
32 ~~offered suitable housing within thirty days of their request or~~
33 ~~identification as homeless;~~

34 ~~(e) The number of households at risk of losing housing who~~
35 ~~maintain it due to a preventive intervention;~~

36 ~~(f) The transition time from homelessness to permanent housing;~~

37 ~~(g) The cost per person housed at each level of the housing~~
38 ~~continuum;~~

39 ~~(h) The ability to successfully collect data and report~~
40 ~~performance;~~

1 ~~(i) The extent of collaboration and coordination among public~~
2 ~~bodies, as well as community stakeholders, and the level of community~~
3 ~~support and participation;~~

4 ~~(j) The quality and safety of housing provided; and~~

5 ~~(k) The effectiveness of outreach to homeless persons, and their~~
6 ~~satisfaction with the program.~~

7 ~~(4))~~ (5) Based on the performance of local homeless housing
8 programs in meeting their ((interim)) goals, on general population
9 changes and on changes in the homeless population recorded in the
10 annual census, the department may ((revise the performance measures
11 and goals of the state homeless housing strategic plan, set goals for
12 years following the initial ten-year period, and recommend)) require
13 changes in local governments' plans to be eligible for state funding
14 appropriated to the department for homeless programs.

15 **Sec. 31.** RCW 43.185C.160 and 2005 c 485 s 1 are each amended to
16 read as follows:

17 (1) Each county shall create a homeless housing task force to
18 develop a ~~((ten-year))~~ five-year homeless housing plan addressing
19 short-term and long-term housing for homeless persons. The plan is
20 due to the department on December 1, 2018, and must be updated every
21 five years thereafter. The plan must include a local homelessness
22 reduction goal for the county and an implementation plan to achieve
23 the goal over the five-year plan period. The plan must also have a
24 specific and more aggressive goal and implementation plan to reduce
25 youth homelessness in the county that is consistent with state
26 reduction strategies developed by the office of homeless youth
27 prevention and protection programs.

28 Membership on the task force may include representatives of the
29 counties, cities, towns, housing authorities, civic and faith
30 organizations, schools, community networks, human services providers,
31 law enforcement personnel, criminal justice personnel, including
32 prosecutors, probation officers, and jail administrators, substance
33 abuse treatment providers, mental health care providers, emergency
34 health care providers, businesses, at large representatives of the
35 community, and a homeless or formerly homeless individual.

36 In lieu of creating a new task force, a local government may
37 designate an existing governmental or nonprofit body which
38 substantially conforms to this section and which includes at least
39 one homeless or formerly homeless individual to serve as its homeless

1 representative. As an alternative to a separate plan, two or more
2 local governments may work in concert to develop and execute a joint
3 homeless housing plan, or to contract with another entity to do so
4 according to the requirements of this chapter. While a local
5 government has the authority to subcontract with other entities, the
6 local government continues to maintain the ultimate responsibility
7 for the homeless housing program within its borders.

8 A county may decline to participate in the program authorized in
9 this chapter by forwarding to the department a resolution adopted by
10 the county legislative authority stating the intention not to
11 participate. A copy of the resolution shall also be transmitted to
12 the county auditor and treasurer. If a county declines to
13 participate, the department shall create and execute a local homeless
14 housing plan for the county meeting the requirements of this chapter.

15 (2) In addition to developing a (~~ten-year~~) five-year homeless
16 housing plan, each task force shall establish guidelines consistent
17 with the statewide homeless housing strategic plan, as needed, for
18 the following:

- 19 (a) Emergency shelters;
- 20 (b) Short-term housing needs;
- 21 (c) Temporary encampments;
- 22 (d) Supportive housing for chronically homeless persons; and
- 23 (e) Long-term housing.

24 Guidelines must include, when appropriate, standards for health
25 and safety and notifying the public of proposed facilities to house
26 the homeless.

27 (3) Each county, including counties exempted from creating a new
28 task force under subsection (1) of this section, shall report to the
29 department (~~of community, trade, and economic development~~) such
30 information as may be needed to ensure compliance with this chapter,
31 including the annual report required in section 32 of this act.

32 NEW SECTION. **Sec. 32.** A new section is added to chapter 43.185C
33 RCW to read as follows:

34 (1) By February 1st of each year, the department must provide an
35 update on the state's homeless housing strategic plan and its
36 activities for the prior fiscal year. The report must include, but
37 not be limited to, the following information:

1 (a) An assessment of the current condition of homelessness in
2 Washington state and the state's performance in meeting the goals in
3 the state homeless housing strategic plan;

4 (b) A report on the results of the annual homeless point-in-time
5 census conducted statewide under RCW 43.185C.030;

6 (c) The amount of federal, state, local, and private funds spent
7 on homelessness assistance, categorized by funding source and the
8 following major assistance types:

9 (i) Emergency shelter;

10 (ii) Homelessness prevention and rapid rehousing;

11 (iii) Permanent housing;

12 (iv) Permanent supportive housing;

13 (v) Transitional housing;

14 (vi) Services only; and

15 (vii) Any other activity in which more than five hundred thousand
16 dollars of category funds were expended;

17 (d) A report on the expenditures, performance, and outcomes of
18 state funds distributed through the consolidated homeless grant
19 program, including the grant recipient, award amount expended, use of
20 the funds, counties served, and households served;

21 (e) A report on state and local homelessness document recording
22 fee expenditure by county, including the total amount of fee
23 spending, percentage of total spending from fees, number of people
24 served by major assistance type, and amount of expenditures for
25 private rental payments required in RCW 36.22.179;

26 (f) A report on the expenditures, performance, and outcomes of
27 the essential needs and housing support program meeting the
28 requirements of RCW 43.185C.220; and

29 (g) A report on the expenditures, performance, and outcomes of
30 the independent youth housing program meeting the requirements of RCW
31 43.63A.311.

32 (2) The report required in subsection (1) of this section must be
33 posted to the department's web site and may include links to updated
34 or revised information contained in the report.

35 (3) By February 1st of each year, any local government receiving
36 state funds for homelessness assistance or state or local
37 homelessness document recording fees under RCW 36.22.178, 36.22.179,
38 or 36.22.1791 must provide an annual report on the current condition
39 of homelessness in its jurisdiction, its performance in meeting the
40 goals in its local homeless housing plan, and any significant changes

1 made to the plan. The annual report must be posted on the
2 department's web site. Along with each local government annual
3 report, the department must produce and post information on the local
4 government's homelessness spending from all sources by project during
5 the prior state fiscal year in a format similar to the department's
6 report under subsection (1)(c) of this section. If a local government
7 fails to report or provides an inadequate or incomplete report, the
8 department must take corrective action, which may include withholding
9 state funding for homelessness assistance to the local government to
10 enable the department to use such funds to contract with other public
11 or nonprofit entities to provide homelessness assistance within the
12 jurisdiction.

13 **Sec. 33.** RCW 36.22.178 and 2011 c 110 s 1 are each amended to
14 read as follows:

15 The surcharge provided for in this section shall be named the
16 affordable housing for all surcharge.

17 (1) Except as provided in subsection (3) of this section, a
18 surcharge of ten dollars per instrument shall be charged by the
19 county auditor for each document recorded, which will be in addition
20 to any other charge authorized by law. (~~The county may retain up to~~
21 ~~five percent of these funds collected solely for the collection,~~
22 ~~administration, and local distribution of these funds. Of the~~
23 ~~remaining funds,)) Forty percent of the revenue generated through
24 this surcharge will be transmitted monthly to the state treasurer who
25 will deposit the funds into the affordable housing for all account
26 created in RCW 43.185C.190. The department of commerce must use these
27 funds to provide housing and shelter for extremely low-income
28 households, including but not limited to housing for victims of human
29 trafficking and their families and grants for building operation and
30 maintenance costs of housing projects or units within housing
31 projects that are affordable to extremely low-income households with
32 incomes at or below thirty percent of the area median income, and
33 that require a supplement to rent income to cover ongoing operating
34 expenses.~~

35 (2) All of the remaining funds generated by this surcharge will
36 be retained by the county and be deposited into a fund that must be
37 used by the county and its cities and towns for eligible housing
38 activities as described in this subsection that serve very low-income
39 households with incomes at or below fifty percent of the area median

1 income. Up to six percent of the funds may be used by the county for
2 the collection and local distribution of these funds and
3 administrative costs related to its homeless housing plan. The
4 portion of the surcharge retained by a county shall be allocated to
5 eligible housing activities that serve extremely low and very low-
6 income households in the county and the cities within a county
7 according to an interlocal agreement between the county and the
8 cities within the county consistent with countywide and local housing
9 needs and policies. A priority must be given to eligible housing
10 activities that serve extremely low-income households with incomes at
11 or below thirty percent of the area median income. Eligible housing
12 activities to be funded by these county funds are limited to:

13 (a) Acquisition, construction, or rehabilitation of housing
14 projects or units within housing projects that are affordable to very
15 low-income households with incomes at or below fifty percent of the
16 area median income, including units for homeownership, rental units,
17 seasonal and permanent farmworker housing units, units reserved for
18 victims of human trafficking and their families, and single room
19 occupancy units;

20 (b) Supporting building operation and maintenance costs of
21 housing projects or units within housing projects eligible to receive
22 housing trust funds, that are affordable to very low-income
23 households with incomes at or below fifty percent of the area median
24 income, and that require a supplement to rent income to cover ongoing
25 operating expenses;

26 (c) Rental assistance vouchers for housing units that are
27 affordable to very low-income households with incomes at or below
28 fifty percent of the area median income, including rental housing
29 vouchers for victims of human trafficking and their families, to be
30 administered by a local public housing authority or other local
31 organization that has an existing rental assistance voucher program,
32 consistent with or similar to the United States department of housing
33 and urban development's section 8 rental assistance voucher program
34 standards; and

35 (d) Operating costs for emergency shelters and licensed overnight
36 youth shelters.

37 (3) The surcharge imposed in this section does not apply to
38 assignments or substitutions of previously recorded deeds of trust.

1 **Sec. 34.** RCW 36.22.1791 and 2011 c 110 s 3 are each amended to
2 read as follows:

3 (1) In addition to the surcharges authorized in RCW 36.22.178 and
4 36.22.179, and except as provided in subsection (2) of this section,
5 the county auditor shall charge an additional surcharge of eight
6 dollars for each document recorded, which is in addition to any other
7 charge allowed by law. The funds collected under this section are to
8 be distributed and used as follows:

9 (a) The auditor shall remit ninety percent to the county to be
10 deposited into a fund six percent of which may be used by the county
11 for the collection and local distribution of these funds and
12 administrative costs related to its homeless housing plan, and the
13 remainder for programs that directly accomplish the goals of the
14 county's local homeless housing plan, except that for each city in
15 the county that elects, as authorized in RCW 43.185C.080, to operate
16 its own local homeless housing program, a percentage of the surcharge
17 assessed under this section equal to the percentage of the city's
18 local portion of the real estate excise tax collected by the county
19 must be transmitted at least quarterly to the city treasurer for use
20 by the city for program costs that directly contribute to the goals
21 of the city's local homeless housing plan.

22 (b) The auditor shall remit the remaining funds to the state
23 treasurer for deposit in the home security fund account. The
24 department may use the funds for administering the program
25 established in RCW 43.185C.020, including the costs of creating and
26 updating the statewide homeless housing strategic plan, measuring
27 performance, providing technical assistance to local governments, and
28 managing the homeless housing grant program. Remaining funds may also
29 be used to:

30 (i) Provide housing and shelter for homeless people including,
31 but not limited to: Grants to operate, repair, and staff shelters;
32 grants to operate transitional housing; partial payments for rental
33 assistance; consolidated emergency assistance; overnight youth
34 shelters; grants and vouchers designated for victims of human
35 trafficking and their families; and emergency shelter assistance; and

36 (ii) Fund the homeless housing grant program.

37 (2) The surcharge imposed in this section does not apply to
38 assignments or substitutions of previously recorded deeds of trust.

1 **Sec. 35.** RCW 43.185C.240 and 2015 c 69 s 26 are each amended to
2 read as follows:

3 (1) As a means of efficiently and cost-effectively providing
4 housing assistance to very-low income and homeless households:

5 (a) Any local government that has the authority to issue housing
6 vouchers, directly or through a contractor, using document recording
7 surcharge funds collected pursuant to RCW 36.22.178, 36.22.179, or
8 36.22.1791 must:

9 (i)(A) Maintain an interested landlord list, which at a minimum,
10 includes information on rental properties in buildings with fewer
11 than fifty units;

12 (B) Update the list at least once per quarter;

13 (C) Distribute the list to agencies providing services to
14 individuals and households receiving housing vouchers;

15 (D) Ensure that a copy of the list or information for accessing
16 the list online is provided with voucher paperwork; and

17 (E) Communicate and interact with landlord and tenant
18 associations located within its jurisdiction to facilitate
19 development, maintenance, and distribution of the list to private
20 rental housing landlords. The department must make reasonable efforts
21 to ensure that local providers conduct outreach to private rental
22 housing landlords each calendar quarter regarding opportunities to
23 provide rental housing to the homeless and the availability of funds;

24 (ii) Using cost-effective methods of communication, convene, on a
25 semiannual or more frequent basis, landlords represented on the
26 interested landlord list and agencies providing services to
27 individuals and households receiving housing vouchers to identify
28 successes, barriers, and process improvements. The local government
29 is not required to reimburse any participants for expenses related to
30 attendance;

31 (iii) Produce data, limited to document recording fee uses and
32 expenditures, on a (~~calendar~~) fiscal year basis in consultation
33 with landlords represented on the interested landlord list and
34 agencies providing services to individuals and households receiving
35 housing vouchers, that include the following: Total amount expended
36 from document recording fees; amount expended on, number of
37 households that received, and number of housing vouchers issued in
38 each of the private, public, and nonprofit markets; amount expended
39 on, number of households that received, and number of housing
40 placement payments provided in each of the private, public, and

1 nonprofit markets; amount expended on and number of eviction
2 prevention services provided in the private market; amount expended
3 on and number of other tenant-based rent assistance services provided
4 in the private market; and amount expended on and number of services
5 provided to unaccompanied homeless youth. If these data elements are
6 not readily available, the reporting government may request the
7 department to use the sampling methodology established pursuant to
8 (c)(iii) of this subsection to obtain the data; and

9 (iv) Annually submit the (~~calendar~~) fiscal year data to the
10 department (~~by October 1st, with preliminary data submitted by~~
11 ~~October 1, 2012, and full calendar year data submitted beginning~~
12 ~~October 1, 2013~~)).

13 (b) Any local government receiving more than three million five
14 hundred thousand dollars during the previous (~~calendar~~) fiscal year
15 from document recording surcharge funds collected pursuant to RCW
16 36.22.178, 36.22.179, and 36.22.1791, must apply to the Washington
17 state quality award program, or similar Baldrige assessment
18 organization, for an independent assessment of its quality
19 management, accountability, and performance system. The first
20 assessment may be a lite assessment. After submitting an application,
21 a local government is required to reapply at least every two years.

22 (c) The department must:

23 (i) Require contractors that provide housing vouchers to
24 distribute the interested landlord list created by the appropriate
25 local government to individuals and households receiving the housing
26 vouchers;

27 (ii) Convene a stakeholder group by March 1, 2017, consisting of
28 landlords, homeless housing advocates, real estate industry
29 representatives, cities, counties, and the department to meet to
30 discuss long-term funding strategies for homeless housing programs
31 that do not include a surcharge on document recording fees. The
32 stakeholder group must provide a report of its findings to the
33 legislature by December 1, 2017;

34 (iii) Develop a sampling methodology to obtain data required
35 under this section when a local government or contractor does not
36 have such information readily available. The process for developing
37 the sampling methodology must include providing notification to and
38 the opportunity for public comment by local governments issuing
39 housing vouchers, landlord association representatives, and agencies

1 providing services to individuals and households receiving housing
2 vouchers;

3 (iv) Develop a report, limited to document recording fee uses and
4 expenditures, on a (~~calendar~~) fiscal year basis that may include
5 consultation with local governments, landlord association
6 representatives, and agencies providing services to individuals and
7 households receiving housing vouchers, that includes the following:
8 Total amount expended from document recording fees; amount expended
9 on, number of households that received, and number of housing
10 vouchers issued in each of the private, public, and nonprofit
11 markets; amount expended on, number of households that received, and
12 number of housing placement payments provided in each of the private,
13 public, and nonprofit markets; amount expended on and number of
14 eviction prevention services provided in the private market; the
15 total amount of funds set aside for private rental housing payments
16 as required in RCW 36.22.179(1)(b); and amount expended on and number
17 of other tenant-based rent assistance services provided in the
18 private market. The information in the report must include data
19 submitted by local governments and data on all additional document
20 recording fee activities for which the department contracted that
21 were not otherwise reported. The data, samples, and sampling
22 methodology used to develop the report must be made available upon
23 request and for the audits required in this section;

24 (v) Annually submit the (~~calendar~~) fiscal year report to the
25 legislature by (~~December 15th, with a preliminary report submitted~~
26 ~~by December 15, 2012, and full calendar year reports submitted~~
27 ~~beginning December 15, 2013~~) February 1st of each year; and

28 (vi) Work with the Washington state quality award program, local
29 governments, and any other organizations to ensure the appropriate
30 scheduling of assessments for all local governments meeting the
31 criteria described in (~~subsection (1)~~)(b) of this (~~section~~)
32 subsection.

33 (d) The office of financial management must secure an independent
34 audit of the department's data and expenditures of state funds
35 received under RCW 36.22.179(1)(b) on an annual basis. The
36 independent audit must review a random sample of local governments,
37 contractors, and housing providers that is geographically and
38 demographically diverse. The independent auditor must meet with the
39 department and a landlord representative to review the preliminary
40 audit and provide the department and the landlord representative with

1 the opportunity to include written comments regarding the findings
2 that must be included with the audit. The first audit of the
3 department's data and expenditures will be for calendar year 2014 and
4 is due July 1, 2015. Each audit thereafter will be due July 1st
5 following the department's submission of the report to the
6 legislature. If the independent audit finds that the department has
7 failed to set aside at least forty-five percent of the funds received
8 under RCW 36.22.179(1)(b) after June 12, 2014, for private rental
9 housing payments, the independent auditor must notify the department
10 and the office of financial management of its finding. In addition,
11 the independent auditor must make recommendations to the office of
12 financial management and the legislature on alternative means of
13 distributing the funds to meet the requirements of RCW
14 36.22.179(1)(b).

15 (e) The office of financial management must contract with an
16 independent auditor to conduct a performance audit of the programs
17 funded by document recording surcharge funds collected pursuant to
18 RCW 36.22.178, 36.22.179, and 36.22.1791. The audit must provide
19 findings to determine if the funds are being used effectively,
20 efficiently, and for their intended purpose. The audit must review
21 the department's performance in meeting all statutory requirements
22 related to document recording surcharge funds including, but not
23 limited to, the data the department collects, the timeliness and
24 quality of required reports, and whether the data and required
25 reports provide adequate information and accountability for the use
26 of the document recording surcharge funds. The audit must include
27 recommendations for policy and operational improvements to the use of
28 document recording surcharges by counties and the department. The
29 performance audit must be submitted to the legislature by December 1,
30 2016.

31 (2) For purposes of this section:

32 (a) "Housing placement payments" means one-time payments, such as
33 first and last month's rent and move-in costs, funded by document
34 recording surcharges collected pursuant to RCW 36.22.178, 36.22.179,
35 or 36.22.1791 that are made to secure a unit on behalf of a tenant.

36 (b) "Housing vouchers" means payments, including private rental
37 housing payments, funded by document recording surcharges collected
38 pursuant to RCW 36.22.178, 36.22.179, or 36.22.1791 that are made by
39 a local government or contractor to secure: (i) A rental unit on

1 behalf of an individual tenant; or (ii) a block of units on behalf of
2 multiple tenants.

3 (c) "Interested landlord list" means a list of landlords who have
4 indicated to a local government or contractor interest in renting to
5 individuals or households receiving a housing voucher funded by
6 document recording surcharges.

7 (d) "Private rental housing" means housing owned by a private
8 landlord and does not include housing owned by a nonprofit housing
9 entity or government entity.

10 (3) This section expires June 30, 2019.

11 **Sec. 36.** RCW 43.21C.440 and 2012 1st sp.s. c 1 s 303 are each
12 amended to read as follows:

13 (1) For purposes of this chapter, a planned action means one or
14 more types of development or redevelopment that meet the following
15 criteria:

16 (a) Are designated as planned actions by an ordinance or
17 resolution adopted by a county, city, or town planning under RCW
18 36.70A.040;

19 (b) In conjunction with, or to implement, a comprehensive plan or
20 subarea plan adopted under chapter 36.70A RCW, or a fully contained
21 community, a master planned resort, a master planned development, or
22 a phased project, have had the significant impacts adequately
23 addressed ((in)):

24 (i) In an environmental impact statement under the requirements
25 of this chapter ((in conjunction with, or to implement, a
26 comprehensive plan or subarea plan adopted under chapter 36.70A RCW,
27 or a fully contained community, a master planned resort, a master
28 planned development, or a phased project)); or

29 (ii) For planned actions in areas that contain or will contain a
30 major transit stop as defined in RCW 43.21C.420(3), in a threshold
31 determination or, where one is appropriate, in an environmental
32 impact statement under the requirements of this chapter;

33 (c) Have had project level significant impacts adequately
34 addressed in a threshold determination or, where one is required
35 under (b) of this subsection (1) or where otherwise appropriate, an
36 environmental impact statement, unless the impacts are specifically
37 deferred for consideration at the project level pursuant to
38 subsection (3)(b) of this section;

1 (d) Are subsequent or implementing projects for the proposals
2 listed in (b) of this subsection;

3 (e) Are located within an urban growth area designated pursuant
4 to RCW 36.70A.110;

5 (f) Are not essential public facilities, as defined in RCW
6 36.70A.200, unless an essential public facility is accessory to or
7 part of a residential, office, school, commercial, recreational,
8 service, or industrial development that is designated a planned
9 action under this subsection; and

10 (g) Are consistent with a comprehensive plan or subarea plan
11 adopted under chapter 36.70A RCW.

12 (2) A county, city, or town shall define the types of development
13 included in the planned action and may limit a planned action to:

14 (a) A specific geographic area that is less extensive than the
15 jurisdictional boundaries of the county, city, or town; or

16 (b) A time period identified in the ordinance or resolution
17 adopted under this subsection.

18 (3)(a) A county, city, or town shall determine during permit
19 review whether a proposed project is consistent with a planned action
20 ordinance adopted by the jurisdiction. To determine project
21 consistency with a planned action ordinance, a county, city, or town
22 may utilize a modified checklist pursuant to the rules adopted to
23 implement RCW 43.21C.110, a form that is designated within the
24 planned action ordinance, or a form contained in agency rules adopted
25 pursuant to RCW 43.21C.120.

26 (b) A county, city, or town is not required to make a threshold
27 determination and may not require additional environmental review,
28 for a proposal that is determined to be consistent with the
29 development or redevelopment described in the planned action
30 ordinance, except for impacts that are specifically deferred to the
31 project level at the time of the planned action ordinance's adoption.

32 At least one community meeting must be held before the notice is
33 issued for the planned action ordinance. Notice for the planned
34 action and notice of the community meeting required by this
35 subsection (3)(b) must be mailed or otherwise verifiably provided to:

36 (i) All affected federally recognized tribal governments; and (ii)
37 agencies with jurisdiction over the future development anticipated
38 for the planned action. The determination of consistency, and the
39 adequacy of any environmental review that was specifically deferred,
40 are subject to the type of administrative appeal that the county,

1 city, or town provides for the proposal itself consistent with RCW
2 36.70B.060.

3 (4) For a planned action ordinance that encompasses the entire
4 jurisdictional boundary of a county, city, or town, at least one
5 community meeting must be held before the notice is issued for the
6 planned action ordinance. Notice for the planned action ordinance and
7 notice of the community meeting required by this subsection must be
8 mailed or otherwise verifiably provided to:

9 (a) All property owners of record within the county, city, or
10 town;

11 (b) All affected federally recognized tribal governments; and

12 (c) All agencies with jurisdiction over the future development
13 anticipated for the planned action.

14 **Sec. 37.** RCW 43.21C.229 and 2012 1st sp.s. c 1 s 304 are each
15 amended to read as follows:

16 (1) In order to accommodate infill development and thereby
17 realize the goals and policies of comprehensive plans adopted
18 according to chapter 36.70A RCW, a city or county planning under RCW
19 36.70A.040 is authorized by this section to establish categorical
20 exemptions from the requirements of this chapter. An exemption
21 adopted under this section applies even if it differs from the
22 categorical exemptions adopted by rule of the department under RCW
23 43.21C.110(1)(a). An exemption may be adopted by a city or county
24 under this section if it meets the following criteria:

25 (a) It categorically exempts government action related to
26 development proposed to fill in an urban growth area, designated
27 according to RCW 36.70A.110, where current density and intensity of
28 use in the area is lower than called for in the goals and policies of
29 the applicable comprehensive plan and the development is either:

30 (i) Residential development;

31 (ii) Mixed-use development; or

32 (iii) Commercial development up to sixty-five thousand square
33 feet, excluding retail development;

34 (b) It does not exempt government action related to development
35 that is inconsistent with the applicable comprehensive plan or would
36 exceed the density or intensity of use called for in the goals and
37 policies of the applicable comprehensive plan;

38 (c) The local government considers the specific probable adverse
39 environmental impacts of the proposed action and determines that

1 these specific impacts are adequately addressed by the development
2 regulations or other applicable requirements of the comprehensive
3 plan, subarea plan element of the comprehensive plan, planned action
4 ordinance, or other local, state, or federal rules or laws; and

5 (d)(i) The city or county's applicable comprehensive plan was
6 previously subjected to environmental analysis (~~((through an
7 environmental impact statement))~~) under the requirements of this
8 chapter prior to adoption; or

9 (ii) The city or county has (~~((prepared an environmental impact
10 statement that considers))~~), in the course of environmental analysis
11 under the requirements of this chapter, considered the proposed use
12 or density and intensity of use in the area proposed for an exemption
13 under this section.

14 (2) Any categorical exemption adopted by a city or county under
15 this section shall be subject to the rules of the department adopted
16 according to RCW 43.21C.110(1)(a) that provide exceptions to the use
17 of categorical exemptions adopted by the department.

18 (3) For purposes of subsection 1(d) of this section, an
19 environmental impact statement is the required form of environmental
20 analysis under the requirements of this chapter unless the infill
21 development area contains or will contain a major transit stop as
22 defined in RCW 43.21C.420(3).

23 NEW SECTION. Sec. 38. Sections 10 through 27 of this act
24 constitute a new chapter in Title 84 RCW.

--- END ---