
SUBSTITUTE HOUSE BILL 1672

State of Washington

52nd Legislature

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By House Committee on Housing (originally sponsored by Representatives Nelson, R. Meyers, Jacobsen, Heavey, Roland, Ferguson, Hine, O'Brien, Ogden, Rust, Paris, Fraser and Wineberry).

Read first time March 6, 1991.

1 AN ACT Relating to growth strategies; amending RCW 36.70A.030,
2 36.70A.020, 36.70A.070, 36.70A.140, 35.21.685, 36.32.415, 59.18.440,
3 82.02.050, 82.02.090, and 82.46.010; adding a new section to chapter
4 36.70A RCW; and adding a new section to chapter 8.26 RCW.

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

6 **Sec. 1.** RCW 36.70A.030 and 1990 1st ex.s. c 17 s 3 are each
7 amended to read as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section apply throughout this chapter.

10 (1) "Adjacent jurisdictions" include contiguous counties, cities,
11 and federally recognized Indian tribes.

12 (2) "Adopt a comprehensive land use plan" means to enact a new
13 comprehensive land use plan or to update an existing comprehensive land
14 use plan.

1 ~~((+2))~~ (3) "Affordable housing" means housing for income groups
2 who typically have difficulty renting or purchasing market rate
3 housing, and who have incomes that do not exceed eighty percent of the
4 median income for the area. In order for housing to be affordable,
5 total housing costs must not exceed thirty percent of the household's
6 gross monthly income.

7 (4) "Agricultural land" means land primarily devoted to the
8 commercial production of horticultural, viticultural, floricultural,
9 dairy, apiary, vegetable, or animal products or of berries, grain, hay,
10 straw, turf, seed, Christmas trees not subject to the excise tax
11 imposed by RCW 84.33.100 through 84.33.140, or livestock, and that has
12 long-term commercial significance for agricultural production.

13 ~~((+3))~~ (5) "Board" means the growth management board established
14 to review plans and regulations established under this chapter.

15 (6) "City" means any city or town, including a code city.

16 ~~((+4))~~ (7) "Committee" means the interagency committee for outdoor
17 recreation established under chapter 43.99 RCW.

18 (8) "Comprehensive land use plan," "comprehensive plan," or "plan"
19 means a generalized coordinated land use policy statement of the
20 governing body of a county or city that is adopted pursuant to this
21 chapter.

22 ~~((+5))~~ (9) "Critical areas" include the following areas and
23 ecosystems: (a) Wetlands; (b) areas with a critical recharging effect
24 on aquifers used for potable water; (c) critical fish and wildlife
25 habitat (~~conservation areas~~); (d) frequently flooded areas; and (e)
26 geologically hazardous areas.

27 ~~((+6))~~ (10) "Department" means the department of community
28 development.

29 ~~((+7))~~ (11) "Development regulations" means any controls placed on
30 development or land use activities by a county or city, including, but

1 not limited to, zoning ordinances, official controls, planned unit
2 development ordinances, subdivision ordinances, and binding site plan
3 ordinances.

4 ~~((8))~~ (12) "Fair share housing" means housing of various types
5 and densities, located within a community, that is affordable and
6 available to low-income persons and persons with special needs, in
7 proportion to the county or regional need. For purposes of fair share
8 housing, a community is defined as an urban area and adjacent land
9 within an adopted ten-year urban growth boundary, and may include more
10 than one city.

11 (13) "Forest land" means land primarily useful for growing trees,
12 including Christmas trees subject to the excise tax imposed under RCW
13 84.33.100 through 84.33.140, for commercial purposes, and that has
14 long-term commercial significance for growing trees commercially.

15 ~~((9))~~ (14) "Geologically hazardous areas" means areas that
16 because of their susceptibility to erosion, sliding, earthquake, or
17 other geological events, are not suited to the siting of commercial,
18 residential, or industrial development consistent with public health or
19 safety concerns.

20 ~~((10))~~ (15) "Long-term commercial significance" includes the
21 growing capacity, productivity, and soil composition of the land for
22 long-term commercial production, in consideration with the land's
23 proximity to population areas, and the possibility of more intense uses
24 of the land.

25 ~~((11))~~ (16) "Mineral~~((s))~~ resource lands" include those lands
26 identified and devoted to the long-term commercial extraction of
27 gravel, sand, rock, and valuable metallic substances.

28 (17) "Natural resource lands" means agricultural lands, forest
29 lands, and mineral resource lands.

1 (18) "New community" means a comprehensive development providing
2 for a mixture of land uses which includes the following: (a) A mix of
3 jobs, housing, and public facilities needed for a self-contained
4 community, including a fair share of affordable housing; (b)
5 preservation of open spaces within and around the community; (c) an
6 internal and external transportation system supportive of pedestrian
7 access and mass transit; (d) the new infrastructure needed to serve the
8 proposed community; and (e) the mitigation of off-site impacts.

9 (19) "Open space lands" include land areas, the protection of which
10 would: (a) Conserve and enhance scenic, or viewshed resources; (b)
11 provide scenic amenities and community identity within and between
12 areas of urban development; (c) protect physical and/or visual buffers
13 within and between areas of urban and rural development, or along
14 transportation corridors; (d) protect lakes, rivers, streams,
15 watersheds, or water supply; (e) promote conservation of critical
16 areas, natural resource lands, soils, geologically hazardous areas, or
17 tidal marshes, beaches, or other shoreline areas; (f) enhance the value
18 to the public of abutting or neighboring parks, forests, wildlife
19 habitat, trails, or other open space; (g) enhance visual enjoyment and
20 recreation opportunities, including public access to shoreline areas;
21 (h) protect natural areas and environmental features with significant
22 educational, scientific, wildlife habitat, historic, or scenic value;
23 or (i) retain in its natural state tracts of land not less than five
24 acres situated in an urban environment.

25 ~~((12))~~ (20) "Public facilities" include streets, roads, highways,
26 sidewalks, street and road lighting systems, traffic signals, domestic
27 water systems, storm and sanitary sewer systems, parks and
28 recreational facilities, and schools.

1 (~~(13)~~) (21) "Public services" include fire protection and
2 suppression, law enforcement, public health, education, recreation,
3 environmental protection, and other governmental services.

4 (22) "Region" means one or more counties and the cities within the
5 county or counties, including multicounty regions.

6 (23) "Special district" means every municipal and quasi-municipal
7 corporation other than a county or city. Special districts shall
8 include, but are not limited to: Water districts, sewer districts,
9 public transportation benefit areas, fire protection districts, port
10 districts, library districts, school districts, public utility
11 districts, county park and recreation service areas, flood control zone
12 districts, irrigation districts, diking districts, and drainage
13 improvement districts.

14 (24) "State agencies" means all departments, boards, commissions,
15 institutions of higher education, and offices of state government,
16 except those in the legislative or judicial branches, except to the
17 extent otherwise required by law.

18 (~~(14)~~) (25) "Urban growth" refers to growth that makes intensive
19 use of land for the location of buildings, structures, and impermeable
20 surfaces to such a degree as to be incompatible with the primary use of
21 such land for the production of food, other agricultural products, or
22 fiber, or the extraction of mineral resources. When allowed to spread
23 over wide areas, urban growth typically requires urban governmental
24 services. "Characterized by urban growth" refers to land having urban
25 growth located on it, or to land located in relationship to an area
26 with urban growth on it as to be appropriate for urban growth.

27 (~~(15)~~) (26) "Urban growth areas" means those areas designated by
28 a county pursuant to RCW 36.70A.110.

29 (~~(16)~~) (27) "Urban governmental services" include those
30 governmental services historically and typically delivered by cities,

1 and include storm and sanitary sewer systems, domestic water systems,
2 street cleaning services, fire and police protection services, public
3 transit services, and other public utilities associated with urban
4 areas and normally not associated with nonurban areas.

5 (~~(17)~~) (28) "Wetland" or "wetlands" means areas that are
6 inundated or saturated by surface water or ground water at a frequency
7 and duration sufficient to support, and that under normal circumstances
8 do support, a prevalence of vegetation typically adapted for life in
9 saturated soil conditions. Wetlands generally include swamps, marshes,
10 bogs, and similar areas. Wetlands do not include those artificial
11 wetlands intentionally created from nonwetland sites, including, but
12 not limited to, irrigation and drainage ditches, grass-lined swales,
13 canals, detention facilities, wastewater treatment facilities, farm
14 ponds, and landscape amenities. However, wetlands may include those
15 artificial wetlands intentionally created from nonwetland areas created
16 to mitigate conversion of wetlands, if permitted by the county or city.

17 PART I

18 PLANNING GOALS

19 **Sec. 2.** RCW 36.70A.020 and 1990 1st ex.s. c 17 s 2 are each
20 amended to read as follows:

21 The following goals are adopted to guide the development and
22 adoption of comprehensive plans and development regulations of those
23 counties and cities that are required or choose to plan under RCW
24 36.70A.040. The following goals are not listed in order of priority
25 and shall be used (~~(exclusively)~~) for the purpose of guiding the
26 development of comprehensive plans and development regulations.
27 However, plans, regulations, and actions, including expenditures of
28 state-appropriated funds, of state agencies, counties, and cities

1 required or choosing to plan, and special districts shall conform to
2 and support these goals:

3 (1) Urban growth areas. ((Encourage)) Urban development shall
4 occur in urban growth areas where adequate public facilities and
5 services exist or can be provided in an efficient manner.

6 Urban growth areas should be compact, have concentrated employment
7 centers, and provide opportunities for people to live in a variety of
8 housing types close to where they work. Plans should ensure an
9 adequate supply of land for the number of jobs located in the urban
10 growth area for the next ten years, as projected by the city or county,
11 considering the nature and diversity of economic activity and for a
12 variety of housing types. Development densities should be sufficient
13 to: (a) Protect open space, natural features and parks, natural
14 resource lands and critical areas within and outside of urban growth
15 areas; (b) promote affordable housing; and (c) promote transit. Large
16 land areas characterized by significant natural limitations such as
17 steep slopes, seismic hazard areas, flood plains, and wetlands should
18 not be designated for urban growth.

19 New development should be designed to respect the planned and
20 existing character of neighborhoods. Open spaces and natural features
21 should be preserved within urban areas.

22 (2) Reduce sprawl. Reduce the inappropriate conversion of
23 undeveloped land into sprawling, low-density development.

24 (3) Transportation. ((Encourage)) Develop efficient multimodal
25 transportation systems that are based on regional priorities and
26 coordinated with county and city comprehensive plans. Provide
27 alternatives to single-occupant automobile travel in congested urban
28 areas. Housing should be of sufficient density and employment centers
29 should be concentrated to enable greater efficiency and affordability
30 of transit service.

1 (4) Housing. Encourage (~~(the availability of affordable)~~) housing
2 (~~(to)~~) for all economic segments of the population of this state,
3 participate in making available a fair share of affordable housing,
4 including affordable housing for people with special needs, promote
5 zoning classifications which allow a variety of residential densities
6 and housing types, (~~(and)~~) encourage preservation of existing housing
7 stock, and assure that housing complies with local, state, and federal
8 fair housing laws.

9 (5) Economic development. Encourage economic development
10 throughout the state that is consistent with adopted comprehensive
11 plans, promote economic opportunity for all citizens of this state,
12 especially for unemployed and for disadvantaged persons, build a
13 network of strong regional economies, identify and focus assistance on
14 priority economic development areas where there is a need for growth
15 and where there is the realistic capacity and broad local support for
16 such growth, and encourage growth in areas experiencing insufficient
17 economic growth, all within the capacities of the state's natural
18 resources, public services, and public facilities.

19 (6) Property rights. Private property shall not be taken for
20 public use without just compensation having been made. The property
21 rights of landowners shall be protected from arbitrary and
22 discriminatory actions.

23 (7) Permits. Applications for both state and local government
24 permits should be processed in a timely and fair manner to ensure
25 predictability.

26 (8) Natural resource industries. Maintain and enhance natural
27 resource-based industries, including productive timber, agricultural,
28 and fisheries industries. Encourage the conservation of productive
29 forest lands and productive agricultural lands, and discourage
30 incompatible uses.

1 (9) Open space and recreation. (~~Encourage the retention of open~~
2 ~~space and development of recreational opportunities, conserve fish and~~
3 ~~wildlife habitat, increase access to natural resource lands and water,~~
4 ~~and develop parks.~~) Protect open space and where possible link open
5 space into regional and state-wide networks. Permanent open space
6 networks should separate neighboring cities, where possible, and define
7 distinct urban growth areas to prevent their merging into large
8 continuous urban areas. Open space should be used to: Protect fish
9 and wildlife habitat; protect environmentally sensitive land and water
10 areas; provide park and outdoor recreational opportunities; protect
11 scenic areas and viewsheds; accommodate nonmotorized recreational
12 corridors and trails; and protect views and vistas within and around
13 cities.

14 (10) Environment. Protect the environment and enhance the state's
15 high quality of life, including air and water quality, and the
16 availability of water. The protection of air and water quality shall
17 be safeguarded for the general good health of all the residents of the
18 jurisdiction. All waste and refuse shall be disposed of through
19 sanitary methods to ensure the protection of air and water quality.

20 (11) Citizen participation and coordination. (~~Encourage~~) Ensure
21 the involvement of citizens in the planning process and ensure
22 coordination between communities and jurisdictions to reconcile
23 conflicts.

24 (12) Public facilities and services. Ensure that those public
25 facilities and services necessary to support development shall be
26 adequate to serve the development at the time the development is
27 available for occupancy and use without decreasing current service
28 levels below locally established minimum standards. Ensure the siting
29 of regional and state public facilities, so that each county and its

1 cities accepts their fair share of public facilities and no community
2 is overburdened.

3 (13) Historic preservation. Identify and encourage the
4 preservation of lands, sites, and structures, that have historical or
5 archaeological significance.

6 (14) Water Resources. Land use planning and permit decisions that
7 will both protect water and create demand for water must be compatible
8 with water resource plans. New growth must be related to water
9 availability. New growth using water for domestic or industrial
10 purposes should be located in the vicinity of where sufficient water
11 resources exist without transporting water significant distances. Each
12 county and its cities must integrate water resource planning for
13 consumptive and nonconsumptive uses into its land use plan to,
14 foremost, ensure the continuous ready supply of fresh and potable water
15 in the amounts necessary to sustain the general good health of all its
16 residents. Water is key for fish, wildlife, domestic use, industrial
17 use, power, agriculture, aesthetics, and recreation.

18 PART II

19 LOCAL PLANNING

20 **Sec. 3.** RCW 36.70A.070 and 1990 1st ex.s. c 17 s 7 are each
21 amended to read as follows:

22 The comprehensive plan of a county or city that is required or
23 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
24 and descriptive text covering objectives, principles, and standards
25 used to develop the comprehensive plan. The plan shall be an
26 internally consistent document and all elements shall be consistent
27 with the future land use map. A comprehensive plan shall be adopted
28 and amended with public participation as provided in RCW 36.70A.140.

1 Each comprehensive plan shall include a plan, scheme, or design for
2 each of the following:

3 (1) A land use element designating the proposed general
4 distribution and general location and extent of the uses of land, where
5 appropriate, for agriculture, timber production, housing, commerce,
6 industry, recreation, open spaces, public utilities, public facilities,
7 and other land uses. The land use element shall provide for sufficient
8 developable land and densities for a range of housing types. The land
9 use element shall include population densities, building intensities,
10 and estimates of future population growth. The land use element shall
11 include designation of natural resource lands and lands for outdoor
12 recreation as provided in RCW 36.70A.060. Each county shall include
13 urban growth areas as established in RCW 36.70A.110 in its
14 comprehensive land use plan. The land use element shall provide for
15 protection of the quality and quantity of ground and surface water used
16 for public water supplies and shall recognize that water availability
17 and quality are key factors in determining the extent, location,
18 distribution, and intensity of land uses. Where applicable, the land
19 use element shall review drainage, flooding, and storm water run-off in
20 the area and nearby jurisdictions and provide guidance for corrective
21 actions to mitigate or cleanse those discharges that pollute waters of
22 the state, including Puget Sound or waters entering Puget Sound.

23 (2) A housing element recognizing the vitality and character of
24 established residential neighborhoods that: (a) Includes an inventory
25 and analysis of existing and projected housing needs including a jobs-
26 housing balance consisting of at least a comparison between the supply
27 of housing and the number of jobs projected in the next ten years in
28 the community, as well as an assessment of whether the housing is
29 affordable to the workers; (b) includes a statement of goals, policies,
30 and objectives for the preservation, improvement, and development of

1 housing and for meeting fair share affordable housing goals within the
2 county and/or jurisdictions; (c) identifies sufficient land and
3 densities for housing; (d) identifies and accommodates a fair share
4 accommodation of low-income and moderate-income housing, including, but
5 not limited to, government-assisted housing, housing for people with
6 special needs, housing for low-income families, manufactured housing,
7 multifamily housing, and group homes and foster care facilities; ((and
8 (d+)) (e) makes adequate provisions for existing and projected needs of
9 all economic segments of the community; (f) promotes housing that is
10 affordable; (g) identifies zoning restrictions that unduly limit
11 density or which unreasonably increase housing development costs; (h)
12 includes at least a ten-year plan for financing the preservation and
13 development of affordable housing and for meeting the community's fair
14 share affordable housing goals. The plan shall realistically project
15 the amount of low-income housing units that will be needed in the
16 community in the next ten years, and how much money could be raised to
17 meet the housing need from bond sales, excess levies, real estate
18 excise tax collections, impact fees, grants, and other funding sources;
19 and (i) minimizes the displacement of residents from housing. In
20 furtherance of affordable housing objectives, for land use and zoning
21 purposes manufactured housing that meets the definition of a designated
22 manufactured home, as provided in RCW 35.63.160, shall be permitted as
23 single-family housing. Cities and counties are also encouraged to
24 facilitate the siting of mobile home parks in furtherance of affordable
25 housing objectives by decreasing lot size and setback requirements, and
26 by allowing mobile home parks to be sited the same as other residential
27 subdivisions.

28 (3) A capital facilities plan element consisting of: (a) An
29 inventory of existing capital facilities owned by public entities,
30 showing the locations and capacities of the capital facilities; (b) a

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

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

14 (5) Counties shall include a rural element including lands that
15 are not designated for urban growth, agriculture, forest, or mineral
16 resources. The rural element shall permit land uses that are
17 compatible with the rural character of such lands and provide for a
18 variety of rural densities and do not foster urban growth.

19 (6) A transportation element that implements, and is consistent
20 with, the land use element. The transportation element shall include
21 the following subelements:

22 (a) Land use assumptions used in estimating travel;

23 (b) Facilities and services needs, including:

24 (i) An inventory of air, water, and land transportation facilities
25 and services, including transit alignments, to define existing capital
26 facilities and travel levels as a basis for future planning;

27 (ii) Level of service standards for all arterials and transit
28 routes to serve as a gauge to judge performance of the system. These
29 standards should be regionally coordinated;

1 (iii) Specific actions and requirements for bringing into
2 compliance any facilities or services that are below an established
3 level of service standard;

4 (iv) Forecasts of traffic for at least ten years based on the
5 adopted land use plan to provide information on the location, timing,
6 and capacity needs of future growth;

7 (v) Identification of system expansion needs and transportation
8 system management needs to meet current and future demands;

9 (c) Finance, including:

10 (i) An analysis of funding capability to judge needs against
11 probable funding resources;

12 (ii) A multiyear financing plan based on the needs identified in
13 the comprehensive plan, the appropriate parts of which shall serve as
14 the basis for the six-year street, road, or transit program required by
15 RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
16 35.58.2795 for public transportation systems;

17 (iii) If probable funding falls short of meeting identified needs,
18 a discussion of how additional funding will be raised, or how land use
19 assumptions will be reassessed to ensure that level of service
20 standards will be met;

21 (d) Intergovernmental coordination efforts, including an assessment
22 of the impacts of the transportation plan and land use assumptions on
23 the transportation systems of adjacent jurisdictions;

24 (e) Demand-management strategies.

25 After adoption of the comprehensive plan by jurisdictions required
26 to plan or who choose to plan under RCW 36.70A.040, local jurisdictions
27 must adopt and enforce ordinances which prohibit development approval
28 if the development causes the level of service on a transportation
29 facility to decline below the standards adopted in the transportation
30 element of the comprehensive plan, unless transportation improvements

1 or strategies to accommodate the impacts of development are made
2 concurrent with the development. These strategies may include
3 increased public transportation service, ride sharing programs, demand
4 management, and other transportation systems management strategies.
5 For the purposes of this subsection (6) "concurrent with the
6 development" shall mean that improvements or strategies are in place at
7 the time of development, or that a financial commitment is in place to
8 complete the improvements or strategies within six years.

9 The transportation element described in this subsection, and the
10 six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for
11 counties, and RCW 35.58.2795 for public transportation systems, must be
12 consistent.

13 (7) A design element that enables communities to harmoniously fit
14 new development with planned or existing community character and
15 vision.

16 (8) An environmental management element that minimizes development
17 and growth impacts on the environment and enhances the quality of air,
18 water, and land resources.

19 (9) An open space and outdoor recreation element that provides for
20 local and regional parks, outdoor recreation facilities, trails,
21 resource conservation, natural vistas, and open space.

22 (10) An annexation element for cities and incorporation element
23 for counties to clearly delineate a local government service delivery
24 plan.

25 (11) A fair share element for siting state and regional public
26 facilities.

27 PART III

28 HOUSING

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW

2 to read as follows:

3 (1) The department shall establish by rule in consultation with
4 local governments the process for determining a community's fair share
5 housing goal. The process shall utilize county-wide data provided by
6 the office of financial management to establish the fair share
7 affordable housing goal in each community in the county, except that
8 the department may aggregate data from more than one county where it
9 deems appropriate. The process shall include a review of the amount
10 and condition of existing housing stock, the projected need for
11 affordable housing in the community, per capita income, population
12 density, amount of developable land in the urban growth area, and the
13 projected number of jobs in the community in the next ten years. The
14 department may add additional criteria as deemed necessary. Each
15 community's fair share affordable housing goal shall include housing
16 that is affordable to very low-income and low-income households, and
17 persons with special housing needs. The department shall also
18 encourage cooperative efforts between communities to meet their fair
19 share affordable housing goal.

20 (2) The department shall require each community to submit a report
21 every four years that describes the progress that is being made to meet
22 its fair share affordable housing goal. Communities that exceed their
23 fair share affordable housing goals shall receive preference points in
24 applications for grants or loans under the public works assistance
25 account and the housing trust fund. In determining whether a community
26 is making a good faith effort to meet its fair share affordable housing
27 goals, the department may consider a community's effort in reducing
28 minimum lot and frontage sizes, the amount of local effort compared to
29 the tax capacity, the submission of any bond and levy measures to the
30 voters for affordable housing, the identification and elimination of

1 restrictive zoning or regulations that impact affordable housing, the
2 enactment of density bonuses and land use techniques such as cluster
3 housing and planned unit developments, the adoption of a current use
4 classification for assessing low-income housing, and efforts to
5 preserve federally assisted housing developments.

6 **Sec. 5.** RCW 36.70A.140 and 1990 1st ex.s. c 17 s 14 are each
7 amended to read as follows:

8 Each county and city that is required or chooses to plan under RCW
9 36.70A.040 shall establish procedures providing for early and
10 continuous public participation in the development and amendment of
11 comprehensive land use plans and development regulations implementing
12 such plans. The procedures shall provide for broad dissemination of
13 proposals and alternatives, opportunity for written comments, public
14 meetings after effective notice, provision for open discussion,
15 communication programs, information services, and consideration of and
16 response to public comments. Errors in exact compliance with the
17 established procedures shall not render the comprehensive land use plan
18 or development regulations invalid if the spirit of the procedures is
19 observed.

20 Every city with a population of twenty-five thousand or more that
21 plans under RCW 36.70A.040 shall establish a neighborhood inclusion
22 process. The process shall allow neighborhood groups an opportunity to
23 develop a neighborhood plan that addresses how their neighborhood can
24 help the city meet its overall goals and requirements for growth
25 management. The neighborhood plan must be consistent with the goals,
26 requirements, and priorities of the city. The city shall: (1) Provide
27 neighborhood groups with a listing of what the city is required to do
28 in order to comply with growth management provisions; (2) assist
29 neighborhood groups with the development of the neighborhood plan when

1 possible; (3) establish timelines for when the neighborhood plans must
2 be submitted to the city for review; and (4) help in the development of
3 impact mitigation measures for the neighborhood when a neighborhood
4 increases its density, or when state or regional public facilities are
5 sited in the neighborhood. If the neighborhood plan does not proceed
6 in a timely manner, the city may assume control over the process and
7 complete the plan.

8 Every city with a population of twenty-five thousand or more shall
9 establish citizen advisory councils to assist in the development of the
10 comprehensive land use plans and development regulations. Other
11 jurisdictions may establish citizen advisory councils. The councils
12 shall be consulted on the development of methods to meet fair share
13 housing goals, and be consulted at key planning milestones.

14 The department shall hold community forums throughout the state in
15 order to disseminate information concerning neighborhood participation
16 in growth management. These forums may be held jointly with a city or
17 county. Information may include community options for increasing
18 densities including impact mitigation measures when greater densities
19 are accepted, the implementation of design and review standards, and
20 working with government to minimize conflicts over the siting of public
21 facilities in the community.

22 NEW SECTION. Sec. 6. A new section is added to chapter 8.26 RCW
23 to read as follows:

24 Whenever the state or a local public agency demolishes or otherwise
25 eliminates low-income housing as defined in RCW 36.32.415 for a public
26 works project, it shall deposit moneys in a local jurisdiction housing
27 replacement fund in an amount equal to the cost of providing an equal
28 number of new low-income rental housing units in the same location.
29 The moneys may only be used for acquiring, constructing, or

1 rehabilitating low-income housing stock. Nothing in this section shall
2 require a state or local public agency to pay an impact fee for
3 demolishing housing that constitutes a nuisance or a health or safety
4 hazard to the community.

5 **Sec. 7.** RCW 35.21.685 and 1986 c 248 s 1 are each amended to read
6 as follows:

7 A city or town may assist in the development or preservation of
8 publicly or privately owned housing for persons of low income by
9 providing loans or grants (~~((of general municipal funds))~~) to the owners
10 or developers of the housing. The loans or grants shall be pursuant to
11 a plan or program authorized by the legislative authority of the city
12 or town(~~((. They may be made))~~) to finance all or a portion of the cost
13 of construction, reconstruction, acquisition, or rehabilitation of
14 housing that will be occupied by (~~((a))~~) one or more persons or
15 (~~((family))~~) families of low income or relocation assistance for such
16 persons or families. As used in this section, "low income" means
17 income that does not exceed eighty percent of the median income for the
18 county or, if applicable, the standard metropolitan statistical area in
19 which the city or town is located. For the purpose of this section,
20 "owner" includes a lessee under a ground lease or a master lease.
21 Housing constructed or rehabilitated with loans or grants made under
22 this section shall not be considered public works or improvements
23 subject to competitive bidding or a purchase of services subject to the
24 prohibition against advance payment for services: PROVIDED, That
25 whenever feasible the borrower or grantee shall make every reasonable
26 and practicable effort to utilize a competitive public bidding process.

27 **Sec. 8.** RCW 36.32.415 and 1986 c 248 s 2 are each amended to read
28 as follows:

1 A county may assist in the development or preservation of publicly
2 or privately owned housing for persons of low income by providing loans
3 or grants (~~(of general county funds)~~) to the owners or developers of
4 the housing. The loans or grants shall be made pursuant to a plan or
5 program authorized by the legislative authority of a county(~~(. — They~~
6 ~~may be made)~~) to finance all or a portion of the cost of construction,
7 reconstruction, acquisition, or rehabilitation of housing that will be
8 occupied by ~~((a))~~ one or more persons or ~~((family))~~ families of low
9 income or relocation assistance for such persons or families. As used
10 in this section, "low income" means income that does not exceed eighty
11 percent of the median income for the county or, if applicable, the
12 standard metropolitan statistical area in which the county is located.
13 For the purpose of this section, "owner" includes a lessee under a
14 ground lease or master lease. Housing constructed or rehabilitated
15 with loans or grants made under this section shall not be considered
16 public works or improvements subject to competitive bidding or a
17 purchase of services subject to the prohibition against advance payment
18 for services: PROVIDED, That whenever feasible the borrower or grantee
19 shall make every reasonable and practicable effort to utilize a
20 competitive public bidding process.

21 **Sec. 9.** RCW 59.18.440 and 1990 1st ex.s. c 17 s 49 are each
22 amended to read as follows:

23 (1) Any city, town, county, or municipal corporation that ~~((is~~
24 ~~required to))~~ develops a comprehensive plan under RCW ~~((36.70A.040(1)))~~
25 36.70A.040 is authorized to require, after reasonable notice to the
26 public and a public hearing, property owners to provide their portion
27 of reasonable relocation assistance to low-income tenants upon the
28 demolition, substantial rehabilitation whether due to code enforcement
29 or any other reason, or change of use of residential property, or upon

1 the removal of use restrictions in an assisted-housing development. No
2 city, town, county, or municipal corporation may require property
3 owners to provide relocation assistance to low-income tenants, as
4 defined in this chapter, upon the demolition, substantial
5 rehabilitation, upon the change of use of residential property, or upon
6 the removal of use restrictions in an assisted-housing development,
7 except as expressly authorized herein or when authorized or required by
8 state or federal law. As used in this section, "assisted housing
9 development" means a multifamily rental housing development that either
10 receives government assistance and is defined as federally assisted
11 housing in RCW 59.28.020, or that receives other federal, state, or
12 local government assistance and is subject to use restrictions.

13 (2) As used in this section, "low-income tenants" means tenants
14 whose combined total income per dwelling unit is at or below fifty
15 percent of the median income, adjusted for family size, in the county
16 where the tenants reside.

17 The department of community development shall adopt rules defining
18 county median income in accordance with the definitions promulgated by
19 the federal department of housing and urban development.

20 (3) A requirement that property owners provide relocation
21 assistance shall include the amounts of such assistance to be provided
22 to low-income tenants. In determining such amounts, the jurisdiction
23 imposing the requirement shall evaluate, and receive public testimony
24 on, what relocation expenses displaced tenants would reasonably incur
25 in that jurisdiction including:

26 (a) Actual physical moving costs and expenses;

27 (b) Advance payments required for moving into a new residence such
28 as the cost of first and last month's rent and security and damage
29 deposits;

30 (c) Utility connection fees and deposits; and

1 (d) Anticipated additional rent and utility costs in the residence
2 for one year after relocation.

3 (4)(a) Relocation assistance provided to low-income tenants under
4 this section shall not exceed two thousand dollars for each dwelling
5 unit displaced by actions of the property owner under subsection (1) of
6 this section. A city, town, county, or municipal corporation may make
7 future annual adjustments to the maximum amount of relocation
8 assistance required under this subsection in order to reflect any
9 changes in the housing component of the consumer price index as
10 published by the United States department of labor, bureau of labor
11 statistics.

12 (b) The property owner's portion of any relocation assistance
13 provided to low-income tenants under this section shall not exceed one-
14 half of the required relocation assistance under (a) of this subsection
15 in cash or services. A city, town, county, or municipal corporation
16 may authorize the cash portion of the relocation assistance provided by
17 the property owner to be in the form of foregone rent, and may
18 establish a value on services provided by the landlord, such as moving,
19 that assist the tenants to relocate.

20 (c) The portion of relocation assistance not covered by the
21 property owner under (b) of this subsection shall be paid by the city,
22 town, county, or municipal corporation authorized to require relocation
23 assistance under subsection (1) of this section. The relocation
24 assistance may be paid from proceeds collected from the excise tax
25 imposed under RCW 82.46.010.

26 (5) A city, town, county, or municipal corporation requiring the
27 provision of relocation assistance under this section shall adopt
28 policies, procedures, or regulations to implement such requirement.
29 Such policies, procedures, or regulations shall include provisions for
30 administrative hearings to resolve disputes between tenants and

1 property owners relating to relocation assistance or unlawful detainer
2 actions during relocation, and shall require a decision within thirty
3 days of a request for a hearing by either a tenant or property owner.

4 Judicial review of an administrative hearing decision relating to
5 relocation assistance may be had by filing a petition, within ten days
6 of the decision, in the superior court in the county where the
7 residential property is located. Judicial review shall be confined to
8 the record of the administrative hearing and the court may reverse the
9 decision only if the administrative findings, inferences, conclusions,
10 or decision is:

11 (a) In violation of constitutional provisions;

12 (b) In excess of the authority or jurisdiction of the
13 administrative hearing officer;

14 (c) Made upon unlawful procedure or otherwise is contrary to law;
15 or

16 (d) Arbitrary and capricious.

17 (6) Any city, town, county, or municipal corporation may require
18 relocation assistance, under the terms of this section, for otherwise
19 eligible tenants whose living arrangements are exempted from the
20 provisions of this chapter under RCW 59.18.040(3) and if the living
21 arrangement is considered to be a rental or lease pursuant to RCW
22 67.28.180(1).

23 (7)(a) Persons who move from a dwelling unit prior to the
24 application by the owner of the dwelling unit for any governmental
25 permit necessary for the demolition, substantial rehabilitation, or
26 change of use of residential property or prior to any notification or
27 filing required for condominium conversion shall not be entitled to the
28 assistance authorized by this section.

29 (b) Persons who move into a dwelling unit after the application for
30 any necessary governmental permit or after any required condominium

1 conversion notification or filing shall not be entitled to the
2 assistance authorized by this section if such persons receive written
3 notice from the property owner prior to taking possession of the
4 dwelling unit that specifically describes the activity or condition
5 that may result in their temporary or permanent displacement and
6 advises them of their ineligibility for relocation assistance.

7 **Sec. 10.** RCW 82.02.050 and 1990 1st ex.s. c 17 s 43 are each
8 amended to read as follows:

9 (1) It is the intent of the legislature:

10 (a) To ensure that adequate facilities are available to serve new
11 growth and development;

12 (b) To promote orderly growth and development by establishing
13 standards by which counties, cities, and towns may require, by
14 ordinance, that new growth and development pay a proportionate share of
15 the cost of new facilities needed to serve new growth and development
16 and that new development reducing the supply of low-income housing
17 contribute to the cost to the community of the development of
18 replacement low-income housing; and

19 (c) To ensure that impact fees are imposed through established
20 procedures and criteria so that specific developments do not pay
21 arbitrary fees or duplicative fees for the same impact.

22 (2) Counties, cities, and towns that are required or choose to plan
23 under RCW 36.70A.040 are authorized to impose impact fees on
24 development activity as part of the financing for public facilities,
25 provided that the financing for system improvements to serve new
26 development must provide for a balance between impact fees and other
27 sources of public funds and cannot rely solely on impact fees.

28 (3) The impact fees:

1 (a) Shall only be imposed for system improvements that are
2 reasonably related to the new development;

3 (b) Shall not exceed a proportionate share of the costs of system
4 improvements that are reasonably related to the new development; and

5 (c) Shall be used for system improvements that will reasonably
6 benefit the new development.

7 (4) Impact fees may be collected and spent only for the public
8 facilities defined in RCW 82.02.090 which are addressed by a capital
9 facilities plan element of a comprehensive land use plan adopted
10 pursuant to the provisions of RCW 36.70A.070 or the provisions for
11 comprehensive plan adoption contained in chapter 36.70, 35.63, or
12 35A.63 RCW, or for replacement housing. After July 1, 1993, continued
13 authorization to collect and expend impact fees shall be contingent on
14 the county, city, or town adopting or revising a comprehensive plan in
15 compliance with RCW 36.70A.070, and on the capital facilities plan
16 identifying:

17 (a) Deficiencies in public facilities serving existing development
18 and the means by which existing deficiencies will be eliminated within
19 a reasonable period of time;

20 (b) Additional demands placed on existing public facilities by new
21 development; and

22 (c) Additional public facility improvements required to serve new
23 development.

24 If the capital facilities plan of the county, city, or town is
25 complete other than for the inclusion of those elements which are the
26 responsibility of a special district, the county, city, or town may
27 impose impact fees to address those public facility needs for which the
28 county, city, or town is responsible.

29 (5) Any jurisdiction authorized to impose impact fees under this
30 section may also impose, on any development activity that involves the

1 demolition of a structure previously used as low-income housing, or the
2 conversion of any such structure to use other than low-income housing,
3 a housing replacement fee. The housing replacement fee may not exceed
4 the estimated cost to the jurisdiction of offsetting the impact of the
5 development activity on the supply of low-income housing in the area in
6 which the development is located. Any housing replacement fee shall be
7 calculated by the jurisdiction in accordance with standards adopted by
8 ordinance or regulation. All replacement housing fees shall be used to
9 provide or finance low-income housing in the manner authorized by RCW
10 35.21.685 or 36.32.415.

11 After July 1, 1993, continued authorization to collect housing
12 replacement fees shall be contingent on the jurisdiction adopting or
13 revising a comprehensive plan in compliance with RCW 36.70A.070, and in
14 compliance with the local jurisdiction's fair share affordable housing
15 goal pursuant to chapter 36.70A RCW.

16 **Sec. 11.** RCW 82.02.090 and 1990 1st ex.s. c 17 s 48 are each
17 amended to read as follows:

18 Unless the context clearly requires otherwise, the following
19 definitions shall apply in RCW 82.02.050 through 82.02.090:

20 (1) "Development activity" means any construction or expansion of
21 a building, structure, or use, any change in use of a building or
22 structure, or any changes in the use of land, that creates additional
23 demand and need for public facilities.

24 (2) "Development approval" means any written authorization from a
25 county, city, or town which authorizes the commencement of development
26 activity.

27 (3) "Impact fee" means a payment of money imposed upon development
28 as a condition of development approval to pay for public facilities
29 needed to serve new growth and development, and that is reasonably

1 related to the new development that creates additional demand and need
2 for public facilities, that is a proportionate share of the cost of the
3 public facilities, and that is used for facilities that reasonably
4 benefit the new development. "Impact fee" does not include a
5 reasonable permit or application fee.

6 (4) "Owner" means the owner of record of real property, although
7 when real property is being purchased under a real estate contract, the
8 purchaser shall be considered the owner of the real property if the
9 contract is recorded.

10 (5) "Proportionate share" means that portion of the cost of public
11 facility improvements that are reasonably related to the service
12 demands and needs of new development.

13 (6) "Project improvements" mean site improvements and facilities
14 that are planned and designed to provide service for a particular
15 development project and that are necessary for the use and convenience
16 of the occupants or users of the project, and are not system
17 improvements. No improvement or facility included in a capital
18 facilities plan approved by the governing body of the county, city, or
19 town shall be considered a project improvement.

20 (7) "Public facilities" means the following capital facilities
21 owned or operated by government entities: (a) Public streets and
22 roads; (b) publicly owned parks, open space, and recreation facilities;
23 (c) school facilities; (d) low-income housing; and ~~((+d))~~ (e) fire
24 protection facilities in jurisdictions that are not part of a fire
25 district.

26 (8) "Service area" means a geographic area defined by a county,
27 city, town, or intergovernmental agreement in which a defined set of
28 public facilities provide service to development within the area.
29 Service areas shall be designated on the basis of sound planning or
30 engineering principles.

1 (9) "System improvements" mean public facilities that are included
2 in the capital facilities plan and are designed to provide service to
3 service areas within the community at large, in contrast to project
4 improvements.

5 **Sec. 12.** RCW 82.46.010 and 1990 1st ex.s. c 17 s 36 are each
6 amended to read as follows:

7 (1) The governing body of any county or any city may impose an
8 excise tax on each sale of real property in the unincorporated areas of
9 the county for the county tax and in the corporate limits of the city
10 for the city tax at a rate not exceeding one-quarter of one percent of
11 the selling price. The revenues from this tax shall be used by the
12 respective jurisdictions for local capital improvements, including
13 those listed in RCW 35.43.040.

14 After July 1, 1990, revenues generated from the tax imposed under
15 this subsection in counties and cities that are required or choose to
16 plan under RCW 36.70A.040 shall be used primarily for financing capital
17 projects specified in a capital facilities plan element of a
18 comprehensive plan, housing projects, and housing relocation assistance
19 under RCW 59.18.440 and 59.18.450. However, revenues (a) pledged by
20 such counties and cities to debt retirement prior to July 1, 1990, may
21 continue to be used for that purpose until all outstanding debt is
22 retired, or (b) committed prior to July 1, 1990, by such counties or
23 cities to a capital project may continue to be used for that purpose
24 until the project is completed.

25 (2) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
26 governing body of any county or any city may impose an additional
27 excise tax on each sale of real property in the unincorporated areas of
28 the county for the county tax and in the corporate limits of the city

1 for the city tax at a rate not exceeding one-half of one percent of the
2 selling price.

3 (3) Taxes imposed under this section shall be collected from
4 persons who are taxable by the state under chapter 82.45 RCW upon the
5 occurrence of any taxable event within the unincorporated areas of the
6 county or within the corporate limits of the city, as the case may be.

7 (4) Taxes imposed under this section shall comply with all
8 applicable rules, regulations, laws, and court decisions regarding real
9 estate excise taxes as imposed by the state under chapter 82.45 RCW.

10 (5) As used in this section, "city" means any city or town; and
11 "housing project" includes the construction, reconstruction,
12 acquisition, or rehabilitation of housing to serve low-income persons
13 by the city or county, or as provided in RCW 35.21.685 and 36.32.415.