
HOUSE BILL 2127

State of Washington 56th Legislature 1999 Regular Session

By Representatives Van Luven, Morris and Esser

Read first time 02/16/1999. Referred to Committee on Local Government.

1 AN ACT Relating to enforcement and incentive measures for
2 compliance with growth management housing goals; and amending RCW
3 36.70A.010, 36.70A.070, 36.70A.210, 36.70A.215, 36.70A.345, 47.80.050,
4 82.08.020, 82.46.010, 43.17.250, 43.160.060, 70.146.070, and 84.14.010.

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

6 **Sec. 1.** RCW 36.70A.010 and 1990 1st ex.s. c 17 s 1 are each
7 amended to read as follows:

8 The legislature finds that uncoordinated and unplanned growth,
9 together with a lack of common goals expressing the public's interest
10 in the conservation and the wise use of our lands, pose a threat to the
11 environment, sustainable economic development, and the health, safety,
12 and high quality of life enjoyed by residents of this state. It is in
13 the public interest that citizens, communities, local governments, and
14 the private sector cooperate and coordinate with one another in
15 comprehensive land use planning. It is in the public interest to
16 direct growth to urban areas and accommodate housing for all economic
17 segments of the population. To achieve these goals, the legislature
18 finds that communities must plan for the density necessary to
19 accommodate the population growth projected, implement measures to

1 provide the necessary infrastructure, and encourage an adequate supply
2 of housing in urban areas, particularly on lands in proximity to
3 frequent transit service. Further, the legislature finds that it is in
4 the public interest that economic development programs be shared with
5 communities experiencing insufficient economic growth.

6 **Sec. 2.** RCW 36.70A.070 and 1998 c 171 s 2 are each amended to read
7 as follows:

8 The comprehensive plan of a county or city that is required or
9 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
10 and descriptive text covering objectives, principles, and standards
11 used to develop the comprehensive plan. The plan shall be an
12 internally consistent document and all elements shall be consistent
13 with the future land use map. A comprehensive plan shall be adopted
14 and amended with public participation as provided in RCW 36.70A.140.

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

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

30 (2) A housing element ensuring the vitality and character of
31 established residential neighborhoods that:

32 (a) Includes an inventory and analysis of existing and projected
33 housing needs;

34 (b) Includes a statement of goals, policies, objectives, and
35 mandatory provisions for the preservation, improvement, and development
36 of housing, including single-family residences;

37 (c) Specifies goals for net new housing units to be produced at
38 five-year intervals as provided by the county-wide planning policy;

1 (d) Identifies sufficient land ((for)) with applicable development
2 regulations which allows for moderate to high-density development to
3 accommodate housing, including, but not limited to, government-assisted
4 housing, housing for low-income families, manufactured housing,
5 multifamily housing, and group homes and foster care facilities; and

6 ~~((d))~~ (e) Makes adequate provisions for existing and projected
7 needs of all economic segments of the community.

8 (3) A capital facilities plan element consisting of: (a) An
9 inventory of existing capital facilities owned by public entities,
10 showing the locations and capacities of the capital facilities; (b) a
11 forecast of the future needs for such capital facilities; (c) the
12 proposed locations and capacities of expanded or new capital
13 facilities; (d) at least a six-year plan that will finance such capital
14 facilities within projected funding capacities and clearly identifies
15 sources of public money for such purposes; and (e) a requirement to
16 reassess the land use element if probable funding falls short of
17 meeting existing needs and to ensure that the land use element, capital
18 facilities plan element, and financing plan within the capital
19 facilities plan element are coordinated and consistent.

20 (4) A utilities element consisting of the general location,
21 proposed location, and capacity of all existing and proposed utilities,
22 including, but not limited to, electrical lines, telecommunication
23 lines, and natural gas lines.

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

28 (a) Growth management act goals and local circumstances. Because
29 circumstances vary from county to county, in establishing patterns of
30 rural densities and uses, a county may consider local circumstances,
31 but shall develop a written record explaining how the rural element
32 harmonizes the planning goals in RCW 36.70A.020 and meets the
33 requirements of this chapter.

34 (b) Rural development. The rural element shall permit rural
35 development, forestry, and agriculture in rural areas. The rural
36 element shall provide for a variety of rural densities, uses, essential
37 public facilities, and rural governmental services needed to serve the
38 permitted densities and uses. In order to achieve a variety of rural
39 densities and uses, counties may provide for clustering, density

1 transfer, design guidelines, conservation easements, and other
2 innovative techniques that will accommodate appropriate rural densities
3 and uses that are not characterized by urban growth and that are
4 consistent with rural character.

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

8 (i) Containing or otherwise controlling rural development;

9 (ii) Assuring visual compatibility of rural development with the
10 surrounding rural area;

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

13 (iv) Protecting critical areas, as provided in RCW 36.70A.060, and
14 surface water and ground water resources; and

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

17 (d) Limited areas of more intensive rural development. Subject to
18 the requirements of this subsection and except as otherwise
19 specifically provided in this subsection (5)(d), the rural element may
20 allow for limited areas of more intensive rural development, including
21 necessary public facilities and public services to serve the limited
22 area as follows:

23 (i) Rural development consisting of the infill, development, or
24 redevelopment of existing commercial, industrial, residential, or
25 mixed-use areas, whether characterized as shoreline development,
26 villages, hamlets, rural activity centers, or crossroads developments.
27 A commercial, industrial, residential, shoreline, or mixed-use area
28 shall be subject to the requirements of (d)(iv) of this subsection, but
29 shall not be subject to the requirements of (c)(ii) and (iii) of this
30 subsection. An industrial area is not required to be principally
31 designed to serve the existing and projected rural population;

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

1 use and shall be provided in a manner that does not permit low-density
2 sprawl;

3 (iii) The intensification of development on lots containing
4 isolated nonresidential uses or new development of isolated cottage
5 industries and isolated small-scale businesses that are not principally
6 designed to serve the existing and projected rural population and
7 nonresidential uses, but do provide job opportunities for rural
8 residents. Public services and public facilities shall be limited to
9 those necessary to serve the isolated nonresidential use and shall be
10 provided in a manner that does not permit low-density sprawl;

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

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

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

32 (B) On the date the county adopted a resolution under RCW
33 36.70A.040(2), in a county that is planning under all of the provisions
34 of this chapter under RCW 36.70A.040(2); or

35 (C) On the date the office of financial management certifies the
36 county's population as provided in RCW 36.70A.040(5), in a county that
37 is planning under all of the provisions of this chapter pursuant to RCW
38 36.70A.040(5).

1 (e) Exception. This subsection shall not be interpreted to permit
2 in the rural area a major industrial development or a master planned
3 resort unless otherwise specifically permitted under RCW 36.70A.360 and
4 36.70A.365.

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

7 (a) The transportation element shall include the following
8 subelements:

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

10 (ii) Estimated traffic impacts to state-owned transportation
11 facilities resulting from land use assumptions to assist the department
12 of transportation in monitoring the performance of state facilities, to
13 plan improvements for the facilities, and to assess the impact of land-
14 use decisions on state-owned transportation facilities;

15 (iii) Facilities and services needs, including:

16 (A) An inventory of air, water, and ground transportation
17 facilities and services, including transit alignments and general
18 aviation airport facilities, to define existing capital facilities and
19 travel levels as a basis for future planning. This inventory must
20 include state-owned transportation facilities within the city or
21 county's jurisdiction boundaries;

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

25 (C) For state-owned transportation facilities, level of service
26 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW,
27 to gauge the performance of the system. The purposes of reflecting
28 level of service standards for state highways in the local
29 comprehensive plan are to monitor the performance of the system, to
30 evaluate improvement strategies, and to facilitate coordination between
31 the county's or city's six-year street, road, or transit program and
32 the department of transportation's six-year investment program. The
33 concurrency requirements of (b) of this subsection do not apply to
34 transportation facilities and services of state-wide significance
35 except for counties consisting of islands whose only connection to the
36 mainland are state highways or ferry routes. In these island counties,
37 state highways and ferry route capacity must be a factor in meeting the
38 concurrency requirements in (b) of this subsection;

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

4 (E) 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 (F) Identification of state and local system needs to meet current
8 and future demands. Identified needs on state-owned transportation
9 facilities must be consistent with the state-wide multimodal
10 transportation plan required under chapter 47.06 RCW;

11 (iv) Finance, including:

12 (A) An analysis of funding capability to judge needs against
13 probable funding resources;

14 (B) A multiyear financing plan based on the needs identified in the
15 comprehensive plan, the appropriate parts of which shall serve as the
16 basis for the six-year street, road, or transit program required by RCW
17 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795
18 for public transportation systems. The multiyear financing plan should
19 be coordinated with the six-year improvement program developed by the
20 department of transportation as required by RCW 47.05.030;

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

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

28 (vi) Demand-management strategies.

29 (b) After adoption of the comprehensive plan by jurisdictions
30 required to plan or who choose to plan under RCW 36.70A.040, local
31 jurisdictions must adopt and enforce ordinances which prohibit
32 development approval if the development causes the level of service on
33 a locally owned transportation facility to decline below the standards
34 adopted in the transportation element of the comprehensive plan, unless
35 transportation improvements or strategies to accommodate the impacts of
36 development are made concurrent with the development. These strategies
37 may include increased public transportation service, ride sharing
38 programs, demand management, and other transportation systems
39 management strategies. For the purposes of this subsection (6)

1 "concurrent with the development" shall mean that improvements or
2 strategies are in place at the time of development, or that a financial
3 commitment is in place to complete the improvements or strategies
4 within six years.

5 (c) The transportation element described in this subsection (6),
6 and the six-year plans required by RCW 35.77.010 for cities, RCW
7 36.81.121 for counties, RCW 35.58.2795 for public transportation
8 systems, and RCW 47.05.030 for the state, must be consistent.

9 **Sec. 3.** RCW 36.70A.210 and 1998 c 171 s 4 are each amended to read
10 as follows:

11 (1) The legislature recognizes that counties are regional
12 governments within their boundaries, and cities are primary providers
13 of urban governmental services within urban growth areas. For the
14 purposes of this section, a "county-wide planning policy" is a written
15 policy statement or statements used solely for establishing a county-
16 wide framework from which county and city comprehensive plans are
17 developed and adopted pursuant to this chapter. This framework shall
18 ensure that city and county comprehensive plans are consistent as
19 required in RCW 36.70A.100. Nothing in this section shall be construed
20 to alter the land-use powers of cities.

21 (2) The legislative authority of a county that plans under RCW
22 36.70A.040 shall adopt a county-wide planning policy in cooperation
23 with the cities located in whole or in part within the county as
24 follows:

25 (a) No later than sixty calendar days from July 16, 1991, the
26 legislative authority of each county that as of June 1, 1991, was
27 required or chose to plan under RCW 36.70A.040 shall convene a meeting
28 with representatives of each city located within the county for the
29 purpose of establishing a collaborative process that will provide a
30 framework for the adoption of a county-wide planning policy. In other
31 counties that are required or choose to plan under RCW 36.70A.040, this
32 meeting shall be convened no later than sixty days after the date the
33 county adopts its resolution of intention or was certified by the
34 office of financial management.

35 (b) The process and framework for adoption of a county-wide
36 planning policy specified in (a) of this subsection shall determine the
37 manner in which the county and the cities agree to all procedures and
38 provisions including but not limited to desired planning policies,

1 deadlines, ratification of final agreements and demonstration thereof,
2 and financing, if any, of all activities associated therewith.

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

7 (d) If there is no agreement by October 1, 1991, in a county that
8 was required or chose to plan under RCW 36.70A.040 as of June 1, 1991,
9 or if there is no agreement within one hundred twenty days of the date
10 the county adopted its resolution of intention or was certified by the
11 office of financial management in any other county that is required or
12 chooses to plan under RCW 36.70A.040, the governor shall first inquire
13 of the jurisdictions as to the reason or reasons for failure to reach
14 an agreement. If the governor deems it appropriate, the governor may
15 immediately request the assistance of the department of community,
16 trade, and economic development to mediate any disputes that preclude
17 agreement. If mediation is unsuccessful in resolving all disputes that
18 will lead to agreement, the governor may impose appropriate sanctions
19 from those specified under RCW 36.70A.340 on the county, city, or
20 cities for failure to reach an agreement as provided in this section.
21 The governor shall specify the reason or reasons for the imposition of
22 any sanction.

23 (e) No later than July 1, 1992, the legislative authority of each
24 county that was required or chose to plan under RCW 36.70A.040 as of
25 June 1, 1991, or no later than fourteen months after the date the
26 county adopted its resolution of intention or was certified by the
27 office of financial management the county legislative authority of any
28 other county that is required or chooses to plan under RCW 36.70A.040,
29 shall adopt a county-wide planning policy according to the process
30 provided under this section and that is consistent with the agreement
31 pursuant to (b) of this subsection, and after holding a public hearing
32 or hearings on the proposed county-wide planning policy.

33 (3) A county-wide planning policy shall at a minimum, address the
34 following:

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

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

1 (c) Policies for siting public capital facilities of a county-wide
2 or state-wide nature, including transportation facilities of state-wide
3 significance as defined in RCW 47.06.140;

4 (d) Policies for county-wide transportation facilities and
5 strategies;

6 (e) Policies that consider the need for affordable housing, such as
7 housing for all economic segments of the population and parameters for
8 its distribution to the urban, unincorporated areas of the county and
9 each of the cities within the county. By December 31, 1999, county-
10 wide planning policies shall incorporate goals for housing production
11 for the county and each city, in five-year intervals, sufficient to
12 accommodate housing needs based upon twenty-year population growth
13 projected by the office of financial management. New goals shall be
14 established when the office of financial management issues new
15 population projections;

16 (f) Policies for joint county and city planning within urban growth
17 areas;

18 (g) Policies for county-wide economic development and employment;
19 and

20 (h) An analysis of the fiscal impact.

21 (4) Federal agencies and Indian tribes may participate in and
22 cooperate with the county-wide planning policy adoption process.
23 Adopted county-wide planning policies shall be adhered to by state
24 agencies.

25 (5) Failure to adopt a county-wide planning policy that meets the
26 requirements of this section may result in the imposition of a sanction
27 or sanctions on a county or city within the county, as specified in RCW
28 36.70A.340. In imposing a sanction or sanctions, the governor shall
29 specify the reasons for failure to adopt a county-wide planning policy
30 in order that any imposed sanction or sanctions are fairly and
31 equitably related to the failure to adopt a county-wide planning
32 policy.

33 (6) Cities and the governor may appeal an adopted county-wide
34 planning policy to the growth management hearings board within sixty
35 days of the adoption of the county-wide planning policy.

36 (7) Multicounty planning policies shall be adopted by two or more
37 counties, each with a population of four hundred fifty thousand or
38 more, with contiguous urban areas and may be adopted by other counties,
39 according to the process established under this section or other

1 processes agreed to among the counties and cities within the affected
2 counties throughout the multicounty region.

3 **Sec. 4.** RCW 36.70A.215 and 1997 c 429 s 25 are each amended to
4 read as follows:

5 (1) Subject to the limitations in subsection (~~((7))~~) (12) of this
6 section, a county shall adopt, in consultation with its cities, county-
7 wide planning policies to establish a review and evaluation program.
8 This program shall be in addition to the requirements of RCW
9 36.70A.110, 36.70A.130, and 36.70A.210. In developing and implementing
10 the review and evaluation program required by this section, the county
11 and its cities shall consider information from other appropriate
12 jurisdictions and sources. The purpose of the review and evaluation
13 program shall be to:

14 (a) Determine whether a county and its cities are achieving urban
15 densities within urban growth areas by comparing growth and development
16 assumptions, targets, and objectives contained in the county-wide
17 planning policies and the county and city comprehensive plans and
18 development regulations with actual growth and development that has
19 occurred in the county and its cities; (~~and~~)

20 (b) Determine whether a county and each of its cities are achieving
21 goals established for net new housing units to be produced in five-year
22 intervals to meet twenty-year household projections, as provided by the
23 county-wide planning policy and comprehensive plan, and are making
24 adequate provision for existing and projected housing needs of all
25 economic segments of the community; and

26 (c) Identify reasonable measures, other than adjusting urban growth
27 areas, that will be taken to comply with the requirements of this
28 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 and reporting of
32 data to the department on urban and rural land uses, development,
33 critical areas, and capital facilities to the extent necessary to
34 determine the quantity and type of land suitable for development, both
35 for residential and employment-based activities;

36 (b) Development data collected shall, at a minimum, include:

37 (i) The number of applications made for residential development,
38 and the number of residential units;

1 (ii) The number of applications approved, the number of residential
2 units, and density of residential units compared to maximum density
3 allowed on the site;

4 (iii) The net number of new residential dwelling units;

5 (iv) The number of applications made for commercial and industrial
6 development;

7 (v) The number of applications approved for commercial and
8 industrial development, including the square footage and estimated
9 number of employees;

10 (vi) The estimated net number of new jobs created;

11 (vii) An assessment of market factors; and

12 (viii) An assessment of the availability of public services and
13 facilities to serve the population growth.

14 (c) Provide for evaluation of the data collected under (a) of this
15 subsection every five years as provided in subsection (3) of this
16 section. The first evaluation shall be completed not later than
17 September 1, 2002. The county and its cities may establish in the
18 county-wide planning policies indicators, benchmarks, and other similar
19 criteria to use in conducting the evaluation;

20 ~~((+e))~~ (d) Provide for methods to resolve disputes among
21 jurisdictions relating to the county-wide planning policies required by
22 this section and procedures to resolve inconsistencies in collection
23 and analysis of data; and

24 ~~((+d))~~ (e) Provide for the amendment of the county-wide policies
25 and county and city comprehensive plans and development regulations as
26 needed to remedy an inconsistency identified through the evaluation
27 required by this section, or to bring these policies into compliance
28 with the requirements of this chapter.

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

31 (a) Require a joint report from each county and its cities
32 regarding regional growth patterns, trends, comparing employment,
33 housing growth, and market conditions; and compiling data on new
34 development;

35 (b) Determine whether there is sufficient land suitable ~~((land))~~
36 for development to accommodate the county-wide population projection
37 established for the county pursuant to RCW 43.62.035 and the subsequent
38 population allocations within the county and between the county and its
39 cities and the requirements of RCW 36.70A.110;

1 (~~(b)~~) (c) Determine the actual density of housing that has been
2 constructed (~~and~~), the actual amount of land developed for commercial
3 and industrial uses within the urban growth area since the adoption of
4 a comprehensive plan under this chapter or since the last periodic
5 evaluation as required by subsection (1) of this section, and the
6 amount of known environmentally sensitive land and public open space
7 that cannot be built upon; and

8 (~~(e)~~) (d) Based on the actual density of development as
9 determined under (~~(b)~~) (c) of this subsection, review commercial,
10 industrial, and housing needs by type and density range to determine
11 the amount of land needed for commercial, industrial, and housing for
12 the remaining portion of the twenty-year planning period used in the
13 most recently adopted comprehensive plan.

14 (4) If the evaluation required by subsection (3) of this section
15 demonstrates an inconsistency between what has occurred since the
16 adoption of the county-wide planning policies and the county and city
17 comprehensive plans and development regulations and what was envisioned
18 in those policies and plans and the planning goals and the requirements
19 of this chapter, as the inconsistency relates to the evaluation factors
20 specified in subsection (3) of this section(~~(, the county and its~~
21 ~~cities)); or demonstrates that the county or any city has fallen short
22 of its five-year goal for new residential construction by more than
23 fifteen percent, or is not developing per the land use designations and
24 densities planned for the jurisdiction in its comprehensive plan based
25 on the evaluation factors specified in subsection (3) of this section,
26 the county or city shall revise its comprehensive land use plan and
27 development or other regulations as necessary. The county or city not
28 meeting the criteria shall adopt and implement measures within one year
29 or within the next cycle to revise local planning documents that ((are
30 reasonably likely to)) will increase consistency during the subsequent
31 five-year period and ensure that the jurisdiction can accommodate the
32 residential units necessary for population growth and density projected
33 for the jurisdiction in the county-wide planning policy and its
34 comprehensive plan. If necessary, a county, in consultation with its
35 cities as required by RCW 36.70A.210, shall adopt amendments to county-
36 wide planning policies to increase consistency. Failure to make
37 appropriate changes in the period specified shall make the jurisdiction
38 subject to petition to the growth management hearings board for
39 noncompliance. The county and its cities shall annually monitor the~~

1 measures adopted under this subsection to determine their effect and
2 may revise or rescind them as appropriate. Measures to accommodate
3 growth include, but are not limited to, the following:

4 (a) Upzoning or revising zoning designations for land within the
5 boundaries of the jurisdiction in a manner that encourages development
6 to occur at densities sufficient to accommodate residential,
7 commercial, and industrial needs for twenty years; and

8 (b) Amending the jurisdiction's comprehensive plan or development
9 regulations to include incentive-based measures that encourage
10 development to occur at densities sufficient to accommodate
11 residential, commercial, and industrial needs for twenty years.
12 Incentive-based measures may include, but are not limited to:

13 (i) Financial incentives and regulatory flexibility for higher
14 density housing;

15 (ii) Redevelopment and infill strategies;

16 (iii) Authorization of housing types not previously allowed by the
17 comprehensive plan or development regulations;

18 (iv) Allowing for subdivisions to achieve lot size reductions;

19 (v) Encouraging mixed use development through zoning and
20 incentives; and

21 (vi) Subsidizing fees or taxes for housing accommodating low-income
22 and moderate-income households.

23 (5) In establishing that actions and measures adopted under
24 subsection (4) of this section encourage development to occur at
25 densities sufficient to accommodate residential, commercial, and
26 industrial needs for twenty years, the county or city shall, at a
27 minimum, demonstrate to the department that all urban land designated
28 for housing and commercial and industrial uses is zoned at density
29 ranges that are demonstrably more likely than not to be achieved by the
30 market.

31 (6) Amendments to comprehensive plans and development regulations
32 by the county and its cities must comply with this chapter.

33 (7) If three years after making the changes identified in
34 subsection (4) of this section a county or city is still failing to
35 achieve housing production within fifteen percent of its five-year
36 housing goals, the county or city shall be subject to petition to the
37 growth management hearings board for review of compliance and may be
38 subject to sanctions as provided in RCW 36.70A.345. In determining

1 compliance with achieving the housing goals, the growth management
2 hearings board shall consider:

3 (a) Whether or not the jurisdiction's failure is a result of the
4 lack of housing demand in the local housing market;

5 (b) A comparison of jobs created and number of residential units
6 built;

7 (c) Whether or not the jurisdiction and state has funded the
8 infrastructure necessary to accommodate projected residential units
9 within the five-year interval;

10 (d) Whether or not the jurisdiction's failure is a result of the
11 lack of development applications that comply with the jurisdiction's
12 development regulations adopted under this chapter; and

13 (e) Whether or not the jurisdiction has adopted a financially
14 feasible infrastructure phasing plan that demonstrates how
15 infrastructure improvements and housing growth are planned to be phased
16 in over the twenty-year planning period.

17 (8) On and after the effective date of this act, jurisdictions
18 participating in the review and evaluation program established by this
19 chapter, and whose zoning is consistent with its comprehensive plan,
20 shall be entitled to incentive provisions to help accommodate growth
21 and achieve goals, including:

22 (a) Authorization to dedicate one-tenth of one cent of the state
23 sales tax to capital costs of local infrastructure for jurisdictions
24 accommodating residential, commercial, and industrial needs for twenty
25 years, as prescribed by RCW 82.08.020;

26 (b) Authorization to use their portion of the local option real
27 estate excise tax for capital costs of low-income housing as prescribed
28 by RCW 82.46.010;

29 (c) Authorization to utilize state funding for "transfer of
30 development rights" banks and amenities to accommodate growth as
31 provided for in the state general fund budget;

32 (d) Eligibility for property tax abatement for multifamily housing,
33 as prescribed by chapter 84.14 RCW;

34 (e) Upon achieving growth within fifteen percent of projected
35 goals, granting of priority funding status for state grants as
36 prescribed by RCW 43.17.250, 43.160.060, and 70.146.070; and

37 (f) Upon achieving growth within fifteen percent of projected
38 goals, further prioritization for allocation of transit and

1 transportation funding to jurisdictions accommodating growth, as
2 prescribed by RCW 47.80.050.

3 (9) County-wide planning policies may contain additional incentive
4 provisions and enforcement measures to accommodate growth and achieve
5 housing goals.

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

12 (b) By December 31, ((2007)) 2003 and 2008, the department shall
13 submit to the appropriate committees of the legislature a report
14 analyzing the effectiveness of the activities described and measures
15 taken by the counties and cities in this section in achieving the goals
16 envisioned by the county-wide planning policies and the comprehensive
17 plans and development regulations of the counties and cities.

18 ((+6)) (11) From funds appropriated by the legislature for this
19 purpose, the department shall provide grants to counties, cities, and
20 regional planning organizations required under subsection ((+7)) (12)
21 of this section to conduct the review and perform the evaluation
22 required by this section.

23 ((+7)) (12) The provisions of this section shall apply to
24 counties, and the cities within those counties, that were greater than
25 one hundred fifty thousand in population in 1995 as determined by
26 office of financial management population estimates and that are
27 located west of the crest of the Cascade mountain range. Any other
28 county planning under RCW 36.70A.040 may carry out the review,
29 evaluation, and amendment programs and procedures as provided in this
30 section.

31 (13) For the purposes of this section, "land suitable for
32 development" means all vacant, partially used, redevelopable, or
33 underutilized land that, after taking into account the protection of
34 critical areas, is: (a) Designated for commercial, industrial, or
35 residential use; and (b) not intended for public use.

36 **Sec. 5.** RCW 36.70A.345 and 1994 c 249 s 33 are each amended to
37 read as follows:

1 The governor may impose a sanction or sanctions specified under RCW
2 36.70A.340 on:

3 (1) A county or city that fails to designate critical areas,
4 agricultural lands, forest lands, or mineral resource lands under RCW
5 36.70A.170 by the date such action was required to have been taken;

6 (2) A county or city that fails to adopt development regulations
7 under RCW 36.70A.060 protecting critical areas or conserving
8 agricultural lands, forest lands, or mineral resource lands by the date
9 such action was required to have been taken;

10 (3) A county that fails to designate urban growth areas under RCW
11 36.70A.110 by the date such action was required to have been taken;
12 ((and))

13 (4) A county or city that fails to adopt its comprehensive plan or
14 development regulations when such actions are required to be taken;

15 (5) A county or city that fails to provide sufficient land suitable
16 for development to accommodate its share of a county-wide population
17 projection established for the county pursuant to RCW 43.62.035 and the
18 subsequent population allocations within the county and between the
19 county and its cities and the requirements of RCW 36.70A.110;

20 (6) A county or city that fails to sufficiently plan to accommodate
21 growth, or provide incentive measures as necessary to encourage
22 development to accommodate residential, commercial, and industrial
23 needs, as prescribed in RCW 36.70A.215;

24 (7) A county or city that fails to achieve housing goals, or make
25 significant progress toward eliminating housing production obstacles
26 and deficiencies within three years, as prescribed in RCW 36.70A.215.

27 Imposition of a sanction or sanctions under this section shall be
28 preceded by written findings by the governor, that either the county or
29 city is not proceeding in good faith to meet the requirements of the
30 act; or that the county or city has unreasonably delayed taking the
31 required action. The governor shall consult with and communicate his
32 or her findings to the appropriate growth management hearings board
33 prior to imposing the sanction or sanctions. For those counties or
34 cities that are not required to plan or have not opted in, the governor
35 in imposing sanctions shall consider the size of the jurisdiction
36 relative to the requirements of this chapter and the degree of
37 technical and financial assistance provided.

1 **Sec. 6.** RCW 47.80.050 and 1990 1st ex.s. c 17 s 57 are each
2 amended to read as follows:

3 Biennial appropriations to the department of transportation to
4 carry out the regional transportation planning program shall set forth
5 the amounts to be allocated as follows:

6 (1) A base amount per county for each county within each regional
7 transportation planning organization, to be distributed to the lead
8 planning agency;

9 (2) An amount to be distributed to each lead planning agency on a
10 per capita basis; ~~((and))~~

11 (3) An amount to be administered by the department of
12 transportation as a discretionary grant program for special regional
13 planning projects, including grants to allow counties which have
14 significant transportation interests in common with an adjoining region
15 to also participate in that region's planning efforts; and

16 (4) An amount to be administered by the department of
17 transportation for grants to counties and cities that are accommodating
18 growth as determined pursuant to RCW 36.70A.215.

19 **Sec. 7.** RCW 82.08.020 and 1998 c 321 s 36 are each amended to read
20 as follows:

21 (1) There is levied and there shall be collected a tax on each
22 retail sale in this state equal to six and five-tenths percent of the
23 selling price.

24 (2) There is levied and there shall be collected an additional tax
25 on each retail car rental, regardless of whether the vehicle is
26 licensed in this state, equal to five and nine-tenths percent of the
27 selling price. The revenue collected under this subsection shall be
28 deposited and distributed in the same manner as motor vehicle excise
29 tax revenue collected under RCW 82.44.020(1).

30 (3) The taxes imposed under this chapter shall apply to successive
31 retail sales of the same property.

32 (4) The rates provided in this section apply to taxes imposed under
33 chapter 82.12 RCW as provided in RCW 82.12.020.

34 (5) Of the taxes collected under subsection (1) of this section, an
35 amount equal to one-tenth of one percent of the selling price of each
36 retail sale shall be dedicated to capital costs of local infrastructure
37 within jurisdictions participating in the review and evaluation program
38 pursuant to RCW 36.70A.215.

1 **Sec. 8.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
2 as follows:

3 (1) The legislative authority of any county or city shall identify
4 in the adopted budget the capital projects and low-income housing
5 activities funded in whole or in part from the proceeds of the tax
6 authorized in this section, and shall indicate that such tax is
7 intended to be in addition to other funds that may be reasonably
8 available for such capital projects and low-income housing activities.

9 (2) The legislative authority of any county or any city may impose
10 an excise tax on each sale of real property in the unincorporated areas
11 of the county for the county tax and in the corporate limits of the
12 city for the city tax at a rate not exceeding one-quarter of one
13 percent of the selling price. The revenues from this tax shall be used
14 by any city or county with a population of five thousand or less and
15 any city or county that does not plan under RCW 36.70A.040 for any
16 capital purpose identified in a capital improvements plan and local
17 capital improvements, including those listed in RCW 35.43.040.

18 (~~After April 30, 1992,~~) Revenues generated from the tax imposed
19 under this subsection in counties over five thousand population and
20 cities over five thousand population that are required or choose to
21 plan under RCW 36.70A.040 shall be used solely for financing capital
22 projects specified in a capital facilities plan element of a
23 comprehensive plan and housing relocation assistance under RCW
24 59.18.440 and 59.18.450. (~~However, revenues (a) pledged by such~~
25 ~~counties and cities to debt retirement prior to April 30, 1992, may~~
26 ~~continue to be used for that purpose until the original debt for which~~
27 ~~the revenues were pledged is retired, or (b) committed prior to April~~
28 ~~30, 1992, by such counties or cities to a project may continue to be~~
29 ~~used for that purpose until the project is completed.))~~

30 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
31 legislative authority of any county or any city may impose an
32 additional excise tax on each sale of real property in the
33 unincorporated areas of the county for the county tax and in the
34 corporate limits of the city for the city tax at a rate not exceeding
35 one-half of one percent of the selling price.

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

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

4 (6) As used in this section((7)):

5 (a) "City" means any city or town ((and));

6 (b) "Capital project" means those public works projects of a local
7 government for planning, acquisition, construction, reconstruction,
8 repair, replacement, rehabilitation, or improvement of streets; roads;
9 highways; sidewalks; street and road lighting systems; traffic signals;
10 bridges; domestic water systems; storm and sanitary sewer systems;
11 parks; recreational facilities; law enforcement facilities; fire
12 protection facilities; trails; libraries; administrative and/or
13 judicial facilities; river and/or waterway flood control projects by
14 those jurisdictions that, prior to June 11, 1992, have expended funds
15 derived from the tax authorized by this section for such purposes;
16 ((and, until December 31, 1995, housing projects for those
17 jurisdictions that, prior to June 11, 1992, have expended or committed
18 to expend funds derived from the tax authorized by this section or the
19 tax authorized by RCW 82.46.035 for such purposes))

20 (c) "Low-income housing activities" include the capital costs for
21 planning, acquisition, building, improving, or restoring publicly owned
22 low-income housing, granting funds to nonprofit organizations for low-
23 income housing, and other financial aid or grants to individuals or
24 organizations, provided the amounts are dedicated solely to the capital
25 costs for planning, building, improvement, restoration, or provision of
26 low-income housing, from a local government participating in the review
27 and evaluation program, pursuant to RCW 36.70A.215. A plan for the
28 expenditure of the excise tax proceeds for this purpose shall be
29 prepared by the legislative authority prior to the adoption of this
30 plan, and a public hearing shall be held to obtain public input;

31 (d) "Low-income housing" means housing provided for low-income
32 households; and

33 (e) "Low-income household" means a single person, family, or
34 unrelated persons living together whose income is at or below fifty
35 percent of the median income, adjusted for household size, in the
36 county where the low-income housing is located.

37 **Sec. 9.** RCW 43.17.250 and 1991 sp.s. c 32 s 25 are each amended to
38 read as follows:

1 Whenever a state agency is considering awarding grants or loans for
2 a county, city, or town to finance public facilities, it shall consider
3 whether the county, city, or town that is requesting the grant or loan
4 is a party to a county-wide planning policy under RCW 36.70A.210
5 relating to the type of public facility for which the grant or loan is
6 sought(~~(, and)~~); shall accord additional preference to the county,
7 city, or town if such county-wide planning policy exists; and shall
8 grant priority status to any county, city, or town accommodating growth
9 as determined pursuant to RCW 36.70A.215. Whenever a state agency is
10 considering awarding grants or loans to a special district for public
11 facilities, it shall consider whether the county, city, or town in
12 whose planning jurisdiction the proposed facility is located is a party
13 to a county-wide planning policy under RCW 36.70A.210 relating to the
14 type of public facility for which the grant or loan is sought.

15 **Sec. 10.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
16 as follows:

17 The board is authorized to make direct loans to political
18 subdivisions of the state for the purposes of assisting the political
19 subdivisions in financing the cost of public facilities, including
20 development of land and improvements for public facilities, as well as
21 the construction, rehabilitation, alteration, expansion, or improvement
22 of the facilities. A grant may also be authorized for purposes
23 designated in this chapter, but only when, and to the extent that, a
24 loan is not reasonably possible, given the limited resources of the
25 political subdivision and the finding by the board that unique
26 circumstances exist. The board shall not obligate more than twenty
27 percent of its biennial appropriation as grants.

28 Application for funds shall be made in the form and manner as the
29 board may prescribe. In making grants or loans the board shall conform
30 to the following requirements:

31 (1) The board shall not provide financial assistance:

32 (a) For a project the primary purpose of which is to facilitate or
33 promote a retail shopping development or expansion.

34 (b) For any project that evidence exists would result in a
35 development or expansion that would displace existing jobs in any other
36 community in the state.

37 (c) For the acquisition of real property, including buildings and
38 other fixtures which are a part of real property.

1 (2) The board shall only provide financial assistance:

2 (a) For those projects which would result in specific private
3 developments or expansions (i) in manufacturing, production, food
4 processing, assembly, warehousing, and industrial distribution; (ii)
5 for processing recyclable materials or for facilities that support
6 recycling, including processes not currently provided in the state,
7 including but not limited to, de-inking facilities, mixed waste paper,
8 plastics, yard waste, and problem-waste processing; (iii) for
9 manufacturing facilities that rely significantly on recyclable
10 materials, including but not limited to waste tires and mixed waste
11 paper; (iv) which support the relocation of businesses from
12 nondistressed urban areas to distressed rural areas; or (v) which
13 substantially support the trading of goods or services outside of the
14 state's borders.

15 (b) For projects which it finds will improve the opportunities for
16 the successful maintenance, establishment, or expansion of industrial
17 or commercial plants or will otherwise assist in the creation or
18 retention of long-term economic opportunities.

19 (c) When the application includes convincing evidence that a
20 specific private development or expansion is ready to occur and will
21 occur only if the public facility improvement is made.

22 (3) The board shall prioritize each proposed project according to
23 the relative benefits provided to the community by the jobs the project
24 would create, not just the total number of jobs it would create after
25 the project is completed and according to the unemployment rate in the
26 area in which the jobs would be located. As long as there is more
27 demand for financial assistance than there are funds available, the
28 board is instructed to fund projects in order of their priority.

29 (4) A responsible official of the political subdivision shall be
30 present during board deliberations and provide information that the
31 board requests.

32 (5) Before any financial assistance application is approved, the
33 political subdivision seeking the assistance must demonstrate to the
34 (~~community economic revitalization~~) board that no other timely source
35 of funding is available to it at costs reasonably similar to financing
36 available from the (~~community economic revitalization~~) board.

37 (6) The board shall give priority to projects within political
38 subdivisions that are accommodating growth as determined pursuant to
39 RCW 36.70A.215.

1 **Sec. 11.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
2 read as follows:

3 When making grants or loans for water pollution control facilities,
4 the department shall consider the following:

5 (1) The protection of water quality and public health;

6 (2) The cost to residential ratepayers if they had to finance water
7 pollution control facilities without state assistance;

8 (3) Actions required under federal and state permits and compliance
9 orders;

10 (4) The level of local fiscal effort by residential ratepayers
11 since 1972 in financing water pollution control facilities;

12 (5) The extent to which the applicant county or city, or if the
13 applicant is another public body, the extent to which the county or
14 city in which the applicant public body is located, has established
15 programs to mitigate nonpoint pollution of the surface or subterranean
16 water sought to be protected by the water pollution control facility
17 named in the application for state assistance; and

18 (6) The recommendations of the Puget Sound action team and any
19 other board, council, commission, or group established by the
20 legislature or a state agency to study water pollution control issues
21 in the state.

22 Except where necessary to address a public health need or
23 substantial environmental degradation, a county, city, or town that is
24 required or chooses to plan under RCW 36.70A.040 may not receive a
25 grant or loan for water pollution control facilities unless it has
26 adopted a comprehensive plan in conformance with the requirements of
27 chapter 36.70A RCW, after it is required that the comprehensive plan be
28 adopted, or unless it has adopted development regulations in
29 conformance with the requirements of chapter 36.70A RCW, after it is
30 required that development regulations be adopted; and the applicant
31 county or city is accommodating growth as determined pursuant to RCW
32 36.70A.215.

33 **Sec. 12.** RCW 84.14.010 and 1997 c 429 s 40 are each amended to
34 read as follows:

35 Unless the context clearly requires otherwise, the definitions in
36 this section apply throughout this chapter.

37 (1) "City" means either:

1 (a) A city or town with a population of at least one hundred
2 thousand (~~(or)~~);

3 (b) The largest city or town, if there is no city or town with a
4 population of at least one hundred thousand, located in a county
5 planning under the growth management act; or

6 (c) Any city or town participating in the review and evaluation
7 program under RCW 36.70A.215 and implementing urban densities
8 sufficient to accommodate residential, commercial, and industrial needs
9 for twenty years.

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

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

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

19 (5) "Owner" means the property owner of record.

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

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

30 (8) "Residential targeted area" means an area within an urban
31 center that has been designated by the governing authority as a
32 residential targeted area in accordance with this chapter.

33 (9) "Substantial compliance" means compliance with local building
34 or housing code requirements that are typically required for
35 rehabilitation as opposed to new construction.

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

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

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

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

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