

***Local Government & Housing
Committee***

HB 2056

Brief Description: *Incorporating effective economic development planning into growth management planning.*

Sponsors: *Representatives Mulliken, Dunshee, Mielke, O'Brien, Edmonds, Edwards, Dunn, Jarrett, Woods, Boldt, Roach, Pearson, Grant, Quall, Linville, Hatfield, Crouse, Anderson, DeBolt, Clements, Lantz, Simpson, Schindler, Benson, Lambert, G. Chandler, Buck, Rockefeller, Fromhold, Keiser, Cooper, Barlean, McMorris, McIntire, Schoesler, Ahern, Ericksen, D. Schmidt, Talcott, Miloscia, Ogden, Marine, Carrell, Eickmeyer, Campbell, Van Luven, Sump, Kessler, Berkey, Jackley, Lisk, Bush, Esser, B. Chandler, Conway, Cox, Morell, Delvin, Kenney, Skinner, Pflug, Morris, Lovick, Kagi, Alexander and Haigh.*

Brief Summary of Bill

- *Adds an economic development element as a mandatory element of a Growth Management Act (GMA) comprehensive plan.*
- *Requires the housing element of a GMA comprehensive plan to identify the number of housing units needed to accommodate projected growth.*
- *Allows rural counties to allow expansion of small-scale businesses and siting of new small-scale businesses on existing business sites if compatible in size and scale with land use and development patterns in the rural element.*
- *Requires GMA county-wide planning policies to include policies relating to population and employment growth, rural and urban densities, performance measures, and housing.*
- *Adds reporting requirements for GMA jurisdictions participating in the buildable lands review and evaluation program for information and actions relating to growth patterns and projections, employment, housing, and land available for development and requires specific actions for failure to meet planned densities or outcomes.*

Hearing Date: 2/22/01

Staff: Caroleen Dineen (786-7156).

Background:

GMA and Economic Development

The legislation enacting the Growth Management Act (GMA) in 1990 included a legislative finding of "public interest that economic development programs be shared with communities experiencing insufficient economic growth." The 1990 legislation also included legislative findings regarding economic growth disparity and legislative intent to: (1) encourage balanced economic growth; (2) improve economic development service delivery systems; and (3) enhance economic development grant and research programs. Both the 1990 and 1991 GMA legislation included provisions related to existing or new economic development programs.

The GMA requires a county and its cities to plan under its major requirements if the county meets certain population and growth criteria. The GMA allows counties not meeting those criteria to choose to plan. Currently, 29 of Washington's 39 counties plan under the major GMA requirements (GMA jurisdictions).

The GMA establishes 13 "planning goals" that must be considered, including encouraging economic development and growth in areas with insufficient growth, reducing sprawl, encouraging urban growth in urban areas, processing permits in a timely and fair manner, and protecting private property rights. The planning goals are not listed in priority order and are intended only to guide development of comprehensive plans and development regulations.

The GMA imposes certain requirements on all counties and cities, including designation and protection of critical areas and designation of natural resource lands. The GMA imposes additional requirements on GMA jurisdictions, including: (1) conservation of natural resource lands; (2) adoption of county-wide planning policies to coordinate comprehensive planning among counties and their cities; and (3) designation of urban growth areas (UGAs), within which urban growth is encouraged and outside of which urban growth is prohibited.

*The GMA also requires GMA jurisdictions to adopt comprehensive plans with certain required elements. First, the comprehensive plan must include a **land use** element that designates the proposed general distribution, location and uses of land. Second, a **housing** element is included to inventory available housing and identify sufficient land for housing. Third, the comprehensive plan must include a **capital facilities plan** element that identifies existing capital facilities and forecasts future capital facilities needs and funding. Fourth, the comprehensive plan must have a **utilities element** to describe the general location and capacity of existing and proposed utilities. Fifth, a **rural element** must specify policies for land development and uses for lands that are not designated for urban growth or natural resource uses. Finally, the comprehensive plan's **transportation element** implements the land use element and identifies facilities and service needs, level of service standards,*

traffic forecasts, demand-management strategies, intergovernmental coordination, and financing.

The GMA specifies several "optional" comprehensive plan elements. These include conservation, solar energy, and recreation as well as other subjects relating to a GMA jurisdiction's physical development. GMA comprehensive plans also may include subarea plans consistent with the overall comprehensive plan.

The GMA comprehensive plan's rural element is to include lands that are not designated for urban growth or for natural resource uses. Legislation enacted in 1997 made numerous changes to rural element provisions including: (1) defining "rural character" to focus on predominance of natural landscape, fostering of traditional rural lifestyles, provision of rural landscapes, and compatibility with habitat and prevention of sprawl; (2) defining "rural development" to include a variety of uses and densities, other than agriculture and forestry, that are consistent with rural character; (3) amending the definition of urban growth– to provide that a pattern of more intensive rural development is not urban growth; (4) including small-scale businesses (not defined) in rural development and describing small-scale businesses and cottage industries as those not required to serve the rural population; (5) adding "rural development" provisions, including allowing "infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas," subject to the requirement to "minimize and contain" the existing areas so as not to extend beyond their logical outer boundaries; and (6) adding "intensification" provisions for rural nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses not principally designed to serve the rural population but offering jobs for rural residents.

By September 1, 2002, and every five years thereafter, GMA jurisdictions must review their comprehensive plans and development regulations for consistency with GMA requirements and must revise their plans and regulations if necessary.

Buildable Lands Evaluation

The GMA requires six western Washington counties (Clark, King, Kitsap, Pierce, Snohomish, and Thurston) and their cities to establish a monitoring and evaluation program to determine whether their county-wide planning policies are meeting planned residential densities and uses. This "buildable lands" evaluation must be conducted every five years. If the evaluation shows that the densities are not being met, the county and its cities must take measures to increase consistency between what was envisioned and what has occurred.

Summary of Bill:

GMA and Economic Development

An economic development element is added as a mandatory element of a Growth Management Act (GMA) comprehensive plan. Counties and cities planning under the major GMA requirements (GMA jurisdictions) must establish a plan for economic growth and the promotion of economic development opportunities in the economic development

element. The economic development element must include: (1) an inventory of existing businesses by number, location, size, and type or classification; (2) an analysis of economic impacts of existing businesses, considering employment levels, business activities, historical growth patterns, and projected new employment opportunities; (3) a statement of goals, policies, objectives and mandatory provisions to promote retention and expansion of existing businesses and recruitment of new businesses; and (4) identification of future needs to foster economic development opportunities, including capital facilities, infrastructure, and work force training.

Rural counties that are GMA jurisdictions may allow the expansion of small-scale businesses and the siting of new small-scale businesses on existing business sites if these businesses are compatible in size and scale with land use and development patterns in the rural element of the GMA comprehensive plan. "Rural counties" are defined as those counties with population densities fewer than 100 persons per square mile as determined by the office of financial management. Currently, 31 of Washington's 39 counties satisfy this definition.

County-wide planning policies adopted by GMA jurisdictions must include policies for: (1) allocating projected population and employment growth in urban and rural areas; (2) establishing appropriate rural and urban densities; (3) performance measures to annually review progress toward accommodating population and employment growth allocations; and (4) accommodating jobs and housing. The housing element of a GMA comprehensive plan must identify the number of housing units needed to accommodate projected growth. "Performance measures" are defined in the GMA to mean a quantifiable measurement or index providing consistent and reliable information over time to help gauge how a jurisdiction is achieving specified performance results.

The GMA's economic development planning goal is amended to include promoting retention and expansion of existing businesses and recognizing regional differences impacting economic development opportunities.

Buildable Lands Evaluation

GMA jurisdictions included within the buildable lands review and evaluation program must prepare a joint report from each county and its cities regarding regional growth patterns, trends, employment comparison, housing growth, and market conditions. The report must: (1) evaluate whether the zoning and development regulations allow development at sufficient densities to accommodate projected employment and population; (2) highlight reasons for differences between planned and actual performance; and (3) indicate reasonable and appropriate actions to encourage sufficient growth to accommodate residential and nonresidential needs.

The buildable lands evaluation also must determine whether sufficient land suitable for development exists to accommodate population projections and the amount of known environmentally sensitive land not available for building. "Land suitable for development" is defined in the GMA as all vacant, partially used, and underutilized parcels designated for commercial, industrial or residential use that are not intended for public use and not constrained by critical areas so as to limit development potential and make new

construction unfeasible. The evaluation also must determine the net number and types of new nonresidential development permitted and specify the estimated net number of new jobs created county-wide.

If the buildable lands evaluation demonstrates failure to achieve planned densities, the GMA jurisdiction must identify and adopt reasonable measures to accommodate demand for residential units and nonresidential growth during the succeeding five-year period. If actions to achieve consistency between planned outcomes and actual performance are needed, the GMA jurisdiction must, within one year of the evaluation, revise its comprehensive plan and development regulations or take other actions to increase consistency and ensure sufficient land suitable for development to accommodate projected residential units for population growth and densities. Actions to increase consistency include: (1) incentives to encourage new development consistent with the comprehensive plan; (2) funding of infrastructure and amenities; (3) land use regulatory changes to encourage development at sufficient densities; (4) outreach programs to encourage developers to build the type of development sought; (5) improved procedures to reduce permit processing time; and (6) additional incentive provisions and enforcement measures to accommodate growth and achieve goals. The GMA jurisdiction must demonstrate it has considered zoning densities for residential and nonresidential development in urban areas are reasonably likely to be achieved in the market.

The date of the Department of Community, Trade and Economic Development's mandatory report regarding the effectiveness of the buildable lands activities and measures taken by GMA jurisdictions subject to the evaluation is changed from December 31, 2007, to December 31 of 2003 and 2008.

Appropriation: None.

Fiscal Note: Requested on February 20, 2001.

Effective Date: The bill takes effect on September 1, 2002. However, the bill is null and void unless funded in the budget.