## **ESHB 1727** - S COMM AMD

By Committee on Government Operations & Elections

Strike everything after the enacting clause and insert the following:

3 "Sec. 1. RCW 36.70A.070 and 2005 c 360 s 2 are each amended to 4 read as follows:

5 The comprehensive plan of a county or city that is required or 6 chooses to plan under RCW 36.70A.040 shall consist of a map or maps, 7 and descriptive text covering objectives, principles, and standards 8 used to develop the comprehensive plan. The plan shall be an 9 internally consistent document and all elements shall be consistent 10 with the future land use map. A comprehensive plan shall be adopted 11 and amended with public participation as provided in RCW 36.70A.140.

12 Each comprehensive plan shall include a plan, scheme, or design for 13 each of the following:

14 (1)land use element designating the proposed А general 15 distribution and general location and extent of the uses of land, where 16 appropriate, for agriculture, timber production, housing, commerce, 17 industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. 18 The land use 19 element shall include population densities, building intensities, and estimates of future population growth. The land use element shall 20 21 designate, as appropriate, a sufficient quantity of land needed for residential uses based on the growth allocated to the county or city 22 that is within the range of the growth management population 23 projections made for the county by the office of financial management, 24 and a sufficient quantity of land needed for commercial, industrial, 25 26 and other nonresidential uses. The land use element shall provide for 27 protection of the quality and quantity of ground water used for public 28 water supplies. Wherever possible, the land use element should 29 consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use element shall review 30

1 drainage, flooding, and storm water run-off in the area and nearby 2 jurisdictions and provide guidance for corrective actions to mitigate 3 or cleanse those discharges that pollute waters of the state, including 4 Puget Sound or waters entering Puget Sound.

(2) A housing element ensuring the vitality and character of 5 established residential neighborhoods that: (a) Includes an inventory б 7 and analysis of existing and projected housing needs that identifies the number of housing units necessary to ((manage)) accommodate 8 projected growth; (b) includes a statement of goals, policies, 9 objectives, and mandatory provisions for the preservation, improvement, 10 and development of housing, including single-family residences; (c) 11 12 identifies a sufficient quantity of land suitable for meeting the 13 existing and projected housing needs identified in (a) of this 14 subsection, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily 15 housing, and group homes and foster care facilities; and (d) makes 16 17 adequate provisions for existing and projected needs of all economic segments of the community. 18

(3) A capital facilities plan element consisting of: (a) An 19 inventory of existing capital facilities owned by public entities, 20 21 showing the locations and capacities of the capital facilities; (b) a 22 forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital 23 24 facilities; (d) at least a six-year plan that will finance such capital 25 facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to 26 27 reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital 28 facilities plan element, and financing plan within the capital 29 facilities plan element are coordinated and consistent. Park and 30 31 recreation facilities shall be included in the capital facilities plan 32 element.

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

37 (5) Rural element. Counties shall include a rural element

including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:

4 (a) Growth management act goals and local circumstances. Because 5 circumstances vary from county to county, in establishing patterns of 6 rural densities and uses, a county may consider local circumstances, 7 but shall develop a written record explaining how the rural element 8 harmonizes the planning goals in RCW 36.70A.020 and meets the 9 requirements of this chapter.

10 (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural 11 element shall provide for a variety of rural densities, uses, essential 12 13 public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities 14 and uses, counties may provide for clustering, density transfer, design 15 guidelines, conservation easements, and other innovative techniques 16 17 that will accommodate appropriate rural densities and uses that are not characterized by urban growth and that are consistent with rural 18 19 character.

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

23

(i) Containing or otherwise controlling rural development;

24 (ii) Assuring visual compatibility of rural development with the 25 surrounding rural area;

(iii) Reducing the inappropriate conversion of undeveloped landinto sprawling, low-density development in the rural area;

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

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

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

(i) Rural development consisting of the infill, development, or 1 2 redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, 3 villages, hamlets, rural activity centers, or crossroads developments. 4 (A) A commercial, industrial, residential, shoreline, or mixed-use 5 area shall be subject to the requirements of (d)(iv) of this б 7 subsection, but shall not be subject to the requirements of (c)(ii) and (iii) of this subsection. 8

9 (B) Any development or redevelopment other than an industrial area 10 or an industrial use within a mixed-use area or an industrial area 11 under this subsection (5)(d)(i) must be principally designed to serve 12 the existing and projected rural population.

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

(ii) The intensification of development on lots containing, or new 18 development of, small-scale recreational or tourist uses, including 19 commercial facilities to serve those recreational or tourist uses, that 20 21 rely on a rural location and setting, but that do not include new 22 residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and 23 24 projected rural population. Public services and public facilities 25 shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density 26 27 sprawl;

The intensification of development on lots containing 28 (iii) isolated nonresidential uses or new development of isolated cottage 29 industries and isolated small-scale businesses that are not principally 30 designed to serve the existing and projected rural population and 31 nonresidential uses, but do provide job opportunities for rural 32 residents. Rural counties may allow the expansion of small-scale 33 businesses as long as those small-scale businesses conform with the 34 rural character of the area as defined by the local government 35 according to RCW 36.70A.030(((14))) (15). Rural counties may also 36 37 allow new small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business 38

1 conforms to the rural character of the area as defined by the local 2 government according to RCW 36.70A.030(((14))) (15). Public services 3 and public facilities shall be limited to those necessary to serve the 4 isolated nonresidential use and shall be provided in a manner that does 5 not permit low-density sprawl;

(iv) A county shall adopt measures to minimize and contain the 6 7 existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such 8 existing areas or uses shall not extend beyond the logical outer 9 10 boundary of the existing area or use, thereby allowing a new pattern of Existing areas are those that are clearly 11 low-density sprawl. 12 identifiable and contained and where there is a logical boundary 13 delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. 14 The county shall establish the logical outer boundary of an area of 15 more intensive rural development. In establishing the logical outer 16 17 boundary the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) 18 physical boundaries such as bodies of water, streets and highways, and 19 land forms and contours, (C) the prevention of abnormally irregular 20 21 boundaries, and (D) the ability to provide public facilities and public 22 services in a manner that does not permit low-density sprawl;

23 (v) For purposes of (d) of this subsection, an existing area or 24 existing use is one that was in existence:

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

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

30 (C) On the date the office of financial management certifies the 31 county's population as provided in RCW 36.70A.040(5), in a county that 32 is planning under all of the provisions of this chapter pursuant to RCW 33 36.70A.040(5).

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

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

3 (a) The transportation element shall include the following 4 subelements:

5

(i) Land use assumptions used in estimating travel;

6 (ii) Estimated traffic impacts to state-owned transportation 7 facilities resulting from land use assumptions to assist the department 8 of transportation in monitoring the performance of state facilities, to 9 plan improvements for the facilities, and to assess the impact of land-10 use decisions on state-owned transportation facilities;

11

(iii) Facilities and services needs, including:

12 (A) An inventory of air, water, and ground transportation 13 facilities and services, including transit alignments and general 14 aviation airport facilities, to define existing capital facilities and 15 travel levels as a basis for future planning. This inventory must 16 include state-owned transportation facilities within the city or 17 county's jurisdictional boundaries;

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

21 (C) For state-owned transportation facilities, level of service 22 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting 23 service standards for state highways in the 24 level of local comprehensive plan are to monitor the performance of the system, to 25 evaluate improvement strategies, and to facilitate coordination between 26 27 the county's or city's six-year street, road, or transit program and the department of transportation's six-year investment program. 28 The concurrency requirements of (b) of this subsection do not apply to 29 transportation facilities and services of statewide significance except 30 for counties consisting of islands whose only connection to the 31 32 mainland are state highways or ferry routes. In these island counties, state highways and ferry route capacity must be a factor in meeting the 33 concurrency requirements in (b) of this subsection; 34

35 (D) Specific actions and requirements for bringing into compliance 36 locally owned transportation facilities or services that are below an 37 established level of service standard; (E) Forecasts of traffic for at least ten years based on the
 adopted land use plan to provide information on the location, timing,
 and capacity needs of future growth;

4 (F) Identification of state and local system needs to meet current 5 and future demands. Identified needs on state-owned transportation 6 facilities must be consistent with the statewide multimodal 7 transportation plan required under chapter 47.06 RCW;

8

(iv) Finance, including:

9 (A) An analysis of funding capability to judge needs against 10 probable funding resources;

(B) A multiyear financing plan based on the needs identified in the 11 comprehensive plan, the appropriate parts of which shall serve as the 12 13 basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 14 for public transportation systems. The multiyear financing plan should 15 16 be coordinated with the ((six-year)) ten-year improvement program 17 developed by the department of transportation as required by RCW 47.05.030; 18

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

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

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(vi) Demand-management strategies;

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

31 (b) After adoption of the comprehensive plan by jurisdictions 32 required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit 33 development approval if the development causes the level of service on 34 a locally owned transportation facility to decline below the standards 35 adopted in the transportation element of the comprehensive plan, unless 36 37 transportation improvements or strategies to accommodate the impacts of 38 development are made concurrent with the development. These strategies

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

8 (c) The transportation element described in this subsection (6), 9 and the six-year plans required by RCW 35.77.010 for cities, RCW 10 36.81.121 for counties, and RCW 35.58.2795 for public transportation 11 systems, and <u>the ten-year plan required by</u> RCW 47.05.030 for the state, 12 must be consistent.

13 (7) An economic development element establishing local goals, 14 policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary 15 of the local economy such as population, employment, payroll, sectors, 16 17 businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the 18 commercial and industrial sectors and supporting factors such as land 19 use, transportation, utilities, education, work force, housing, and 20 21 natural/cultural resources; and (c) an identification of policies, 22 programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential 23 24 community is exempt from the economic development element requirement 25 of this subsection.

(8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.

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

3 Sec. 2. RCW 36.70A.090 and 1990 1st ex.s. c 17 s 9 are each 4 amended to read as follows:

5 A comprehensive plan ((should)) may provide for innovative land use 6 management techniques, including, but not limited to, density bonuses, 7 cluster housing, planned unit developments, <u>mixed-use development</u>, 8 <u>accessory dwelling units</u>, and the transfer of development rights. 9 <u>Jurisdictions that are not subject to the requirements of RCW</u> 10 <u>43.63A.215 may provide for accessory dwelling units in their</u> 11 <u>comprehensive plans and development regulations.</u>

12 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.70A RCW 13 to read as follows:

Two or more cities sharing common borders and located in the same 14 15 county, or two or more cities sharing a common border and located within adjacent counties, in coordination with countywide and 16 multicounty planning bodies, may agree to establish a subregion in 17 order to address housing and 18 employment markets that cross jurisdictional boundaries through appropriate amendments to each city's 19 20 comprehensive plan and to countywide planning policies and multicounty policies. The policies proposed by the cities under this section may 21 include, but are not limited to: 22

(1) Policies that reallocate among the cities in the subregion the population growth established for each local government under RCW 36.70A.110;

(2) Policies that provide for a sufficient number of housing units
 to accommodate the existing housing needs and projected population
 growth in the subregion; and

(3) Policies that provide for sufficient land suitable for
 development to meet the needs for commercial and industrial growth in
 the subregion.

32 **Sec. 4.** RCW 36.70A.110 and 2004 c 206 s 1 are each amended to read 33 as follows:

(1) <u>In accordance with the requirements of this section, each</u>
 county that is required or chooses to plan under RCW 36.70A.040 shall

designate an urban growth area or areas within which urban growth shall 1 2 be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be 3 included within an urban growth area. An urban growth area may include 4 more than a single city. An urban growth area may include territory 5 that is located outside of a city only if such territory already is 6 7 characterized by urban growth whether or not the urban growth area includes a city, or is adjacent to territory already characterized by 8 urban growth, or is a designated new fully contained community as 9 defined by RCW 36.70A.350. 10

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve.

17 Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth 18 areas contained totally within a national historical reserve, the city 19 may restrict densities, intensities, and forms of urban growth as 20 21 determined to be necessary and appropriate to protect the physical, 22 cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and 23 24 shall permit a range of urban densities and uses. In determining this 25 market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to 26 27 make many choices about accommodating growth.

Within one year of July 1, 1990, each county that as of June 1, 28 1991, was required or chose to plan under RCW 36.70A.040, shall begin 29 consulting with each city located within its boundaries and each city 30 shall propose the location of an urban growth area. Within sixty days 31 32 of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial 33 management, all other counties that are required or choose to plan 34 under RCW 36.70A.040 shall begin this consultation with each city 35 located within its boundaries. The county shall attempt to reach 36 37 agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with 38

each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

7 (3) <u>Counties subject to RCW 36.70A.215 and counties with a</u>
 8 population greater than four hundred thousand must:

9 <u>(a) Consult and cooperate with each city within an urban growth</u> 10 <u>area proposed for modification prior to and concurrent with actions to</u> 11 <u>modify the urban growth area within which the city or cities are</u> 12 <u>located;</u>

13 (b) Consult and cooperate with each city within each urban growth 14 area to adopt development regulations for unincorporated territory 15 within urban growth areas that are consistent with each applicable 16 city;

17 (c) Adopt, or amend as necessary, development regulations for new development in unincorporated territory, within an urban growth area, 18 where the unincorporated territory is entirely surrounded, excluding 19 unincorporated waters of the state, by incorporated territory. 20 21 Development regulations adopted or amended under the requirements of 22 this subsection must be consistent with the development regulations of the adjacent city or cities which receive the primary traffic and 23 24 development impacts, and through which the unincorporated territory receives its only vehicular access; and 25

26 (d) Report to the appropriate committees of the house of 27 representatives and the senate by December 1, 2008, on the 28 implementation of, and any impediments related to, the requirements of 29 (a) and (b) of this subsection (3).

(4) Urban growth should be located first in areas already 30 31 characterized by urban growth that have adequate existing public 32 facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served 33 adequately by a combination of both existing public facilities and 34 35 services and any additional needed public facilities and services that 36 are provided by either public or private sources, and third in the 37 remaining portions of the urban growth areas. Urban growth may also be located in designated new fully contained communities as defined by RCW
 36.70A.350.

3 (((4))) (5) In general, cities are the units of local government 4 most appropriate to provide urban governmental services. In general, 5 it is not appropriate that urban governmental services be extended to 6 or expanded in rural areas except in those limited circumstances shown 7 to be necessary to protect basic public health and safety and the 8 environment and when such services are financially supportable at rural 9 densities and do not permit urban development.

(((5))) (6) On or before October 1, 1993, each county that was 10 initially required to plan under RCW 36.70A.040(1) shall adopt 11 development regulations designating interim urban growth areas under 12 13 this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of 14 intention or of certification by the office of financial management, 15 all other counties that are required or choose to plan under RCW 16 17 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban 18 growth areas may only occur after public notice; public hearing; and 19 compliance with the state environmental policy act, chapter 43.21C RCW, 20 21 and RCW 36.70A.110. Such action may be appealed to the appropriate 22 growth management hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan 23 24 adoption under this chapter.

25 (((-6))) (7) Each county shall include designations of urban growth 26 areas in its comprehensive plan.

27 ((<del>(7)</del>)) <u>(8)</u> An urban growth area designated in accordance with this 28 section may include within its boundaries urban service areas or 29 potential annexation areas designated for specific cities or towns 30 within the county.

31 **Sec. 5.** RCW 36.70A.540 and 2006 c 149 s 2 are each amended to read 32 as follows:

33 (1)(a) Any city or county planning under RCW 36.70A.040 may enact 34 or expand affordable housing incentive programs providing for the 35 development of low-income housing units through development regulations 36 <u>on residential, commercial, industrial, and mixed use development</u>. An

- 1 affordable housing incentive program may include, but is not limited 2 to:
- 3 (i) Density bonuses within the urban growth area;
- 4 (ii) Height and bulk bonuses;
- 5 (iii) Fee waivers or exemptions;

6 (iv) Parking reductions; or

7 (v) Expedited permitting, conditioned on provision of low-income
8 housing units((; or

9 (vi) Mixed use projects)).

10 (b) The city or county may enact or expand such programs whether or 11 not the programs may impose a tax, fee, or charge on the development or 12 construction of property.

(c) If a developer chooses not to participate in an optional affordable housing incentive program adopted and authorized under this section, a city, county, or town may not condition, deny, or delay the issuance of a permit or development approval that is consistent with zoning and development standards on the subject property absent incentive provisions of this program.

(2) Affordable housing incentive programs enacted or expanded under
 this section <u>that provide a bonus or incentive to residential</u>
 <u>development</u> shall comply with the following:

(a) The incentives or bonuses shall provide for the construction oflow-income housing units;

(b) Jurisdictions shall establish standards for low-income renter or owner occupancy housing, including income guidelines consistent with local housing needs, to assist low-income households that cannot afford market-rate housing. Low-income households are defined for renter and owner occupancy program purposes as follows:

(i) Rental housing units to be developed shall be affordable to and
 occupied by households with an income of fifty percent or less of the
 county median family income, adjusted for family size; and

(ii) Owner occupancy housing units shall be affordable to and occupied by households with an income of eighty percent or less of the county median family income, adjusted for family size. The legislative authority of a jurisdiction, after holding a public hearing, may establish lower income levels. The legislative authority of a jurisdiction, after holding a public hearing, may also establish higher income levels for rental housing or for owner occupancy housing upon

finding that higher income levels are needed to address local housing 1 2 market conditions. The higher income level for rental housing may not exceed eighty percent of the county area median family income. 3 The higher income level for owner occupancy housing may not exceed one 4 hundred percent of the county area median family income. 5 These established higher income levels ((<del>must be</del>)) 6 are considered 7 "low-income" for the purposes of this section;

8 (c) The jurisdiction shall establish a maximum rent level or sales 9 price for each low-income housing unit developed under the terms of a 10 program and may adjust these levels or prices based on the average size 11 of the household expected to occupy the unit. For renter-occupied 12 housing units, the total housing costs, including basic utilities as 13 determined by the jurisdiction, may not exceed thirty percent of the 14 income limit for the low-income housing unit;

(d) Low-income housing units shall be provided in a range of sizes 15 comparable to ((those)) other units ((that are available to other 16 17 residents)) in the housing development for which a bonus or incentive is provided. To the extent practicable, the number of bedrooms in 18 low-income units must be in the same proportion as the number of 19 bedrooms in units within the entire building. The low-income units 20 21 shall generally be distributed throughout the building((, except that 22 units may be provided in an adjacent building)) or buildings. The low-income units shall have substantially the same functionality as the 23 24 other units in the building or buildings;

25 (e) Low-income housing units developed under an affordable housing incentive program shall be committed to continuing affordability for at 26 27 least fifty years. A local government, however, may accept payments in lieu of continuing affordability. The program shall include measures 28 to enforce continuing affordability and income standards applicable to 29 low-income units constructed under this section that may include, but 30 are not limited to, covenants, options, or other agreements to be 31 32 executed and recorded by owners and developers;

(f) Programs authorized under subsection (1) of this section may apply to part or all of a jurisdiction and different standards may be applied to different areas within a jurisdiction. Programs authorized under this section may be modified to meet local needs and may include provisions not expressly provided in this section or RCW 82.02.020; and

(g) Low-income housing units developed under an affordable housing 1 2 incentive program are encouraged to be provided within market-rate housing developments for which a bonus or incentive is provided. 3 However, programs may allow units to be provided in ((an adjacent)) a 4 building ((and)) located in the vicinity of the housing development for 5 which a bonus or incentive is provided. Affordable housing incentive 6 7 programs may allow payments of money or property in lieu of low-income housing units if the payment ((equals)) achieves a result equal to or 8 better than providing the affordable housing on-site, and provided the 9 payment does not exceed the approximate cost of developing the same 10 number and quality of housing units that would otherwise be developed. 11 12 Any city or county shall use these funds or property to support the 13 purchase or development of low-income housing((, including)). Any city 14 or county may also use these funds or property to support ((provided through)) loans or grants to <u>low-income home buyers</u>, and public or 15 private owners or developers of housing. 16

17 (3) Affordable housing incentive programs enacted or expanded under 18 this section may be applied within the jurisdiction to address the need 19 for increased residential development, consistent with local growth 20 management and housing policies, as follows:

(a) The jurisdiction shall identify certain land use designations
 within a geographic area where increased residential development will
 assist in achieving local growth management and housing policies;

(b) The jurisdiction shall provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or other incentives;

(c) The jurisdiction shall determine that increased residential development capacity or other incentives can be achieved within the identified area, subject to consideration of other regulatory controls on development; and

32 (d) The jurisdiction may establish a minimum amount of affordable 33 housing that must be provided by all residential developments being 34 built under the revised regulations, consistent with the requirements 35 of this section.

36 (4) Affordable housing incentive programs enacted or expanded under 37 this section that provide a bonus or incentive to commercial or 38 industrial development shall comply with the following:

(a) The city or county may enact or expand development regulations, 1 2 conditional rezones, or development approvals that allow greater building height, more development capacity, different uses, or more 3 relaxed development standards, that otherwise would apply to a 4 commercial or industrial development, or that grant other incentives to 5 the development, with a requirement that low-income housing be provided 6 7 or preserved, either on or off of the development site, or with the requirement that the developer provide payments of money or property to 8 9 be used for low-income housing.

10 (b) Jurisdictions shall establish standards for low-income renter 11 or owner occupancy housing, including income guidelines consistent with 12 local housing needs, to assist low-income households that cannot afford 13 market-rate housing. Low-income households are defined for renter and 14 owner occupancy program purposes as follows:

15 (i) Rental housing units to be developed shall be affordable to and 16 occupied by households with an income of fifty percent or less of the 17 county median family income, adjusted for family size; and

(ii) Owner occupancy housing units shall be affordable to and
 occupied by households with an income of eighty percent or less of the
 county median family income, adjusted for family size.

21 The legislative authority of a jurisdiction, after holding a public hearing, may establish lower income levels. The legislative authority 22 of a jurisdiction, after holding a public hearing, may also establish 23 24 higher income levels for rental housing or for owner occupancy housing upon finding that higher income levels are needed to address local 25 housing market conditions. The higher income level for rental housing 26 27 may not exceed eighty percent of the county area median family income. The higher income level for owner occupancy housing may not exceed one 28 hundred percent of the county area median family income. These 29 established higher income levels are considered low income for the 30 31 purposes of this section.

32 (c) Housing units created, acquired, or preserved pursuant to 33 incentive programs must be committed to remain as affordable housing 34 for at least fifty years. A city or county may establish or agree to 35 terms on which a commitment may be reduced or terminated based on the 36 provision of substitute affordable housing or a payment to be used for 37 affordable housing."

## **ESHB 1727** - S COMM AMD

By Committee on Government Operations & Elections

1 On page 1, line 2 of the title, after "growth;" strike the 2 remainder of the title and insert "amending RCW 36.70A.070, 36.70A.090, 3 36.70A.110, and 36.70A.540; and adding a new section to chapter 36.70A 4 RCW."

EFFECT: Land is designated for residential use based on population growth projections. Comprehensive plans and development regulations may provide for accessory dwelling units. Standards are set forth to protect affordable and low-income housing in cities and counties planning under the Growth Management Act.

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