
SENATE BILL 6330

State of Washington

63rd Legislature

2014 Regular Session

By Senator Sheldon

Read first time 01/21/14. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to promoting affordable housing in urban growth
2 areas; amending RCW 84.14.005, 84.14.007, 84.14.040, and 84.14.060; and
3 reenacting and amending RCW 84.14.010.

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

5 **Sec. 1.** RCW 84.14.005 and 2007 c 430 s 1 are each amended to read
6 as follows:

7 The legislature finds:

8 (1) That in many of Washington's urban centers and urban growth
9 areas there is insufficient availability of desirable and convenient
10 residential units, including affordable housing units, to meet the
11 needs of a growing number of the public who would live in these urban
12 centers and urban growth areas if these desirable, convenient,
13 attractive, affordable, and livable places to live were available;

14 (2) That the development of additional and desirable residential
15 units, including affordable housing units, in these urban centers and
16 urban growth areas that will attract and maintain a significant
17 increase in the number of permanent residents in these areas will help
18 to alleviate the detrimental conditions and social liability that tend

1 to exist in the absence of a viable mixed income residential population
2 and will help to achieve the planning goals mandated by the growth
3 management act under RCW 36.70A.020; and

4 (3) That planning solutions to solve the problems of urban sprawl
5 often lack incentive and implementation techniques needed to encourage
6 residential redevelopment in those urban centers lacking a sufficient
7 variety of residential opportunities, and it is in the public interest
8 and will benefit, provide, and promote the public health, safety, and
9 welfare to stimulate new or enhanced residential opportunities,
10 including affordable housing opportunities, within urban centers
11 through a tax incentive as provided by this chapter.

12 **Sec. 2.** RCW 84.14.007 and 2012 c 194 s 1 are each amended to read
13 as follows:

14 It is the purpose of this chapter to encourage increased
15 residential opportunities, including affordable housing opportunities,
16 in cities that are required to plan or choose to plan under the growth
17 management act within urban centers and urban growth areas where the
18 governing authority of the affected city has found there is
19 insufficient housing opportunities, including affordable housing
20 opportunities. It is further the purpose of this chapter to stimulate
21 the construction of new multifamily housing and the rehabilitation of
22 existing vacant and underutilized buildings for multifamily housing in
23 urban centers and urban growth areas having insufficient housing
24 opportunities that will increase and improve residential opportunities,
25 including affordable housing opportunities, within these urban centers
26 and urban growth areas. To achieve these purposes, this chapter
27 provides for special valuations in residentially deficient urban
28 centers and urban growth areas for eligible improvements associated
29 with multiunit housing, which includes affordable housing. It is an
30 additional purpose of this chapter to allow certain counties to
31 stimulate housing opportunities near college campuses to promote dense,
32 transit-oriented, walkable college communities.

33 **Sec. 3.** RCW 84.14.010 and 2012 c 194 s 2 are each reenacted and
34 amended to read as follows:

35 (~~Unless the context clearly requires otherwise,~~) The definitions

1 in this section apply throughout this chapter unless the context
2 clearly requires otherwise.

3 (1) "Affordable housing" means residential housing that is rented
4 by a person or household whose monthly housing costs, including
5 utilities other than telephone, do not exceed thirty percent of the
6 household's monthly income. For the purposes of housing intended for
7 owner occupancy, "affordable housing" means residential housing that is
8 within the means of low or moderate-income households.

9 (2) "Campus facilities master plan" means the area that is defined
10 by the University of Washington as necessary for the future growth and
11 development of its campus facilities for branch campuses authorized
12 under RCW 28B.45.020.

13 (3) "City" means either (a) a city or town with a population of at
14 least fifteen thousand, (b) the largest city or town, if there is no
15 city or town with a population of at least fifteen thousand, located in
16 a county planning under the growth management act, or (c) a city or
17 town with a population of at least five thousand located in a county
18 subject to the provisions of RCW 36.70A.215.

19 (4) "County" means a county with an unincorporated population of at
20 least three hundred fifty thousand or a rural county with at least one
21 incorporated city in the county's boundaries.

22 (5) "Governing authority" means the local legislative authority of
23 a city or a county having jurisdiction over the property for which an
24 exemption may be applied for under this chapter.

25 (6) "Growth management act" means chapter 36.70A RCW.

26 (7) "High cost area" means a county where the third quarter median
27 house price for the previous year as reported by the Washington center
28 for real estate research at Washington State University is equal to or
29 greater than one hundred thirty percent of the statewide median house
30 price published during the same time period.

31 (8) "Household" means a single person, family, or unrelated persons
32 living together.

33 (9) "Low-income household" means a single person, family, or
34 unrelated persons living together whose adjusted income is at or below
35 eighty percent of the median family income adjusted for family size,
36 for the county where the project is located, as reported by the United
37 States department of housing and urban development. For cities located

1 in high-cost areas, "low-income household" means a household that has
2 an income at or below one hundred percent of the median family income
3 adjusted for family size, for the county where the project is located.

4 (10) "Moderate-income household" means a single person, family, or
5 unrelated persons living together whose adjusted income is more than
6 eighty percent but is at or below one hundred fifteen percent of the
7 median family income adjusted for family size, for the county where the
8 project is located, as reported by the United States department of
9 housing and urban development. For cities located in high-cost areas,
10 "moderate-income household" means a household that has an income that
11 is more than one hundred percent, but at or below one hundred fifty
12 percent, of the median family income adjusted for family size, for the
13 county where the project is located.

14 (11) "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 (12) "Owner" means the property owner of record.

20 (13) "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 (14) "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 (15) "Residential targeted area" means an area within an urban
31 center or urban growth area that has been designated by the governing
32 authority as a residential targeted area in accordance with this
33 chapter. With respect to designations after July 1, 2007, "residential
34 targeted area" may not include a campus facilities master plan.

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

1 (17) "Urban center" means a compact identifiable district where
2 urban residents may obtain a variety of products and services. An
3 urban center must contain:

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

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

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

12 (18) "Urban growth area" has the same meaning as in RCW 36.70A.030.

13 **Sec. 4.** RCW 84.14.040 and 2012 c 194 s 4 are each amended to read
14 as follows:

15 (1) The following criteria must be met before an area may be
16 designated as a residential targeted area:

17 (a) The area must be within an urban center, as determined by the
18 governing authority;

19 (b) The area must lack, as determined by the governing authority,
20 sufficient available, desirable, and convenient residential housing,
21 including affordable housing, to meet the needs of the public who would
22 be likely to live in the urban center, if the affordable, desirable,
23 attractive, and livable places to live were available;

24 (c) The providing of additional housing opportunity, including
25 affordable housing, in the area, as determined by the governing
26 authority, will assist in achieving one or more of the stated purposes
27 of this chapter; and

28 (d) If the residential targeted area is designated by a county, the
29 area must be located in an urban growth area or an unincorporated area
30 of the county that is within an urban growth area (~~(under RCW~~
31 ~~36.70A.110 and the)) and that area must include a campus of an
32 institution of higher education, as defined in RCW 28B.92.030, where at
33 least one thousand two hundred students live on campus during the
34 academic year.~~

35 (2) For the purpose of designating a residential targeted area or
36 areas, the governing authority may adopt a resolution of intention to
37 so designate an area as generally described in the resolution. The

1 resolution must state the time and place of a hearing to be held by the
2 governing authority to consider the designation of the area and may
3 include such other information pertaining to the designation of the
4 area as the governing authority determines to be appropriate to apprise
5 the public of the action intended.

6 (3) The governing authority must give notice of a hearing held
7 under this chapter by publication of the notice once each week for two
8 consecutive weeks, not less than seven days, nor more than thirty days
9 before the date of the hearing in a paper having a general circulation
10 in the city or county where the proposed residential targeted area is
11 located. The notice must state the time, date, place, and purpose of
12 the hearing and generally identify the area proposed to be designated
13 as a residential targeted area.

14 (4) Following the hearing, or a continuance of the hearing, the
15 governing authority may designate all or a portion of the area
16 described in the resolution of intent as a residential targeted area if
17 it finds, in its sole discretion, that the criteria in subsections (1)
18 through (3) of this section have been met.

19 (5) After designation of a residential targeted area, the governing
20 authority must adopt and implement standards and guidelines to be
21 utilized in considering applications and making the determinations
22 required under RCW 84.14.060. The standards and guidelines must
23 establish basic requirements for both new construction and
24 rehabilitation, which must include:

25 (a) Application process and procedures;

26 (b) Requirements that address demolition of existing structures and
27 site utilization; and

28 (c) Building requirements that may include elements addressing
29 parking, height, density, environmental impact, and compatibility with
30 the existing surrounding property and such other amenities as will
31 attract and keep permanent residents and that will properly enhance the
32 livability of the residential targeted area in which they are to be
33 located.

34 (6) The governing authority may adopt and implement, either as
35 conditions to eight-year exemptions or as conditions to an extended
36 exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more
37 stringent income eligibility, rent, or sale price limits, including
38 limits that apply to a higher percentage of units, than the minimum

1 conditions for an extended exemption period under RCW
2 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an
3 unincorporated area of a county, a property owner seeking tax
4 incentives under this chapter must commit to renting or selling at
5 least twenty percent of the multifamily housing units as affordable
6 housing units to low and moderate-income households. In the case of
7 multiunit housing intended exclusively for owner occupancy, the minimum
8 requirement of this subsection (6) may be satisfied solely through
9 housing affordable to moderate-income households.

10 **Sec. 5.** RCW 84.14.060 and 2012 c 194 s 6 are each amended to read
11 as follows:

12 (1) The duly authorized administrative official or committee of the
13 city or county may approve the application if it finds that:

14 (a) A minimum of four new units are being constructed or in the
15 case of occupied rehabilitation or conversion a minimum of four
16 additional multifamily units are being developed;

17 (b) If applicable, the proposed multiunit housing project meets the
18 affordable housing requirements as described in RCW 84.14.020;

19 (c) The proposed project is or will be, at the time of completion,
20 in conformance with all local plans and regulations that apply at the
21 time the application is approved;

22 (d) The owner has complied with all standards and guidelines
23 adopted by the city or county under this chapter; and

24 (e) The site is located in a residential targeted area of an urban
25 center or urban growth area that has been designated by the governing
26 authority in accordance with procedures and guidelines indicated in RCW
27 84.14.040.

28 (2) An application may not be approved after July 1, 2007, if any
29 part of the proposed project site is within a campus facilities master
30 plan, except as provided in RCW 84.14.040(1)(d).

--- END ---