
HOUSE BILL 2051

State of Washington

65th Legislature

2017 Regular Session

By Representatives Buys and Van Werven

Read first time 02/09/17. Referred to Committee on Finance.

1 AN ACT Relating to increasing affordable housing opportunities in
2 targeted areas; amending RCW 84.14.010, 84.14.040, and 84.14.060; and
3 repealing RCW 84.14.005 and 84.14.007.

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

5 **Sec. 1.** RCW 84.14.010 and 2014 c 96 s 3 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

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

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

19 ~~(3) "City" means either (a) a city or town with a population of~~
20 ~~at least fifteen thousand, (b) the largest city or town, if there is~~
21 ~~no city or town with a population of at least fifteen thousand,~~

1 ~~located in a county planning under the growth management act, or (c)~~
2 ~~a city or town with a population of at least five thousand located in~~
3 ~~a county subject to the provisions of RCW 36.70A.215.~~

4 ~~(4) "County" means a county with an unincorporated population of~~
5 ~~at least three hundred fifty thousand.~~

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

9 ~~((6))~~ (3) "Growth management act" means chapter 36.70A RCW.

10 ~~((7))~~ (4) "High cost area" means a county where the third
11 quarter median house price for the previous year as reported by the
12 Washington center for real estate research at Washington State
13 University is equal to or greater than one hundred thirty percent of
14 the statewide median house price published during the same time
15 period.

16 ~~((8))~~ (5) "Household" means a single person, family, or
17 unrelated persons living together.

18 ~~((9))~~ (6) "Low-income household" means a single person, family,
19 or unrelated persons living together whose adjusted income is at or
20 below eighty percent of the median family income adjusted for family
21 size, for the county where the project is located, as reported by the
22 United States department of housing and urban development. For cities
23 located in high-cost areas, "low-income household" means a household
24 that has an income at or below one hundred percent of the median
25 family income adjusted for family size, for the county where the
26 project is located.

27 ~~((10))~~ (7) "Moderate-income household" means a single person,
28 family, or unrelated persons living together whose adjusted income is
29 more than eighty percent but is at or below one hundred fifteen
30 percent of the median family income adjusted for family size, for the
31 county where the project is located, as reported by the United States
32 department of housing and urban development. For cities located in
33 high-cost areas, "moderate-income household" means a household that
34 has an income that is more than one hundred percent, but at or below
35 one hundred fifty percent, of the median family income adjusted for
36 family size, for the county where the project is located.

37 ~~((11))~~ (8) "Multiple-unit housing" means a building having four
38 or more dwelling units not designed or used as transient
39 accommodations and not including hotels and motels. Multifamily units
40 may result from new construction or rehabilitated or conversion of

1 vacant, underutilized, or substandard buildings to multifamily
2 housing.

3 ~~((12))~~ (9) "Owner" means the property owner of record.

4 ~~((13))~~ (10) "Permanent residential occupancy" means multiunit
5 housing that provides either rental or owner occupancy on a
6 nontransient basis. This includes owner-occupied or rental
7 accommodation that is leased for a period of at least one month. This
8 excludes hotels and motels that predominately offer rental
9 accommodation on a daily or weekly basis.

10 ~~((14))~~ (11) "Rehabilitation improvements" means modifications
11 to existing structures, that are vacant for twelve months or longer,
12 that are made to achieve a condition of substantial compliance with
13 existing building codes or modification to existing occupied
14 structures which increase the number of multifamily housing units.

15 ~~((15))~~ (12) "Residential targeted area" means an area ~~((within~~
16 ~~an urban center or urban growth area))~~ that has been designated by
17 the governing authority as a residential targeted area in accordance
18 with this chapter. ~~((With respect to designations after July 1, 2007,~~
19 ~~"residential targeted area" may not include a campus facilities~~
20 ~~master plan.~~

21 ~~(16)~~ "Rural county" means a county with a population between
22 fifty thousand and seventy one thousand and bordering Puget Sound.

23 ~~(17))~~ (13) "Substantial compliance" means compliance with local
24 building or housing code requirements that are typically required for
25 rehabilitation as opposed to new construction.

26 ~~((18)~~ "Urban center" means a compact identifiable district where
27 urban residents may obtain a variety of products and services. An
28 urban center must contain:

29 ~~(a)~~ Several existing or previous, or both, business
30 establishments that may include but are not limited to shops,
31 offices, banks, restaurants, governmental agencies;

32 ~~(b)~~ Adequate public facilities including streets, sidewalks,
33 lighting, transit, domestic water, and sanitary sewer systems; and

34 ~~(c)~~ A mixture of uses and activities that may include housing,
35 recreation, and cultural activities in association with either
36 commercial or office, or both, use.))

37 **Sec. 2.** RCW 84.14.040 and 2014 c 96 s 4 are each amended to read
38 as follows:

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

3 ~~(a) ((The area must be within an urban center, as determined by
4 the governing authority;~~

5 ~~(b))~~ The area must lack, as determined by the governing
6 authority, sufficient available, desirable, and convenient
7 residential housing, including affordable housing, to meet the needs
8 of the public who would be likely to live in the ~~((urban center))~~
9 area, if the affordable, desirable, attractive, and livable places to
10 live were available; and

11 ~~((c))~~ (b) The providing of additional housing opportunity,
12 including affordable housing, in the area, as determined by the
13 governing authority, will assist in achieving one or more of the
14 stated purposes of this chapter ~~((; and~~

15 ~~(d) If the residential targeted area is designated by a county,
16 the area must be located in an unincorporated area of the county that
17 is within an urban growth area under RCW 36.70A.110 and the area must
18 be: (i) In a rural county, served by a sewer system and designated by
19 a county prior to January 1, 2013; or (ii) in a county that includes
20 a campus of an institution of higher education, as defined in RCW
21 28B.92.030, where at least one thousand two hundred students live on
22 campus during the academic year)).~~

23 (2) For the purpose of designating a residential targeted area or
24 areas, the governing authority may adopt a resolution of intention to
25 so designate an area as generally described in the resolution. The
26 resolution must state the time and place of a hearing to be held by
27 the governing authority to consider the designation of the area and
28 may include such other information pertaining to the designation of
29 the area as the governing authority determines to be appropriate to
30 apprise the public of the action intended.

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

39 (4) Following the hearing, or a continuance of the hearing, the
40 governing authority may designate all or a portion of the area

1 described in the resolution of intent as a residential targeted area
2 if it finds, in its sole discretion, that the criteria in subsections
3 (1) through (3) of this section have been met.

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

10 (a) Application process and procedures;

11 (b) Requirements that address demolition of existing structures
12 and site utilization; and

13 (c) Building requirements that may include elements addressing
14 parking, height, density, environmental impact, and compatibility
15 with the existing surrounding property and such other amenities as
16 will attract and keep permanent residents and that will properly
17 enhance the livability of the residential targeted area in which they
18 are to be located.

19 (6) The governing authority may adopt and implement, either as
20 conditions to eight-year exemptions or as conditions to an extended
21 exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more
22 stringent income eligibility, rent, or sale price limits, including
23 limits that apply to a higher percentage of units, than the minimum
24 conditions for an extended exemption period under RCW
25 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an
26 unincorporated area of a county, a property owner seeking tax
27 incentives under this chapter must commit to renting or selling at
28 least twenty percent of the multifamily housing units as affordable
29 housing units to low and moderate-income households. In the case of
30 multiunit housing intended exclusively for owner occupancy, the
31 minimum requirement of this subsection (6) may be satisfied solely
32 through housing affordable to moderate-income households.

33 **Sec. 3.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to read
34 as follows:

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

37 (~~(a)~~) (1) A minimum of four new units are being constructed or
38 in the case of occupied rehabilitation or conversion a minimum of
39 four additional multifamily units are being developed;

1 ~~((b))~~ (2) If applicable, the proposed multiunit housing project
2 meets the affordable housing requirements as described in RCW
3 84.14.020;

4 ~~((c))~~ (3) The proposed project is or will be, at the time of
5 completion, in conformance with all local plans and regulations that
6 apply at the time the application is approved;

7 ~~((d))~~ (4) The owner has complied with all standards and
8 guidelines adopted by the city or county under this chapter; and

9 ~~((e))~~ (5) The site is located in a residential targeted area
10 ~~((of an urban center or urban growth area))~~ that has been designated
11 by the governing authority in accordance with procedures and
12 guidelines indicated in RCW 84.14.040.

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

16 ~~(3) An application may not be approved for a residential targeted
17 area in a rural county on or after January 1, 2020.)~~

18 NEW SECTION. **Sec. 4.** The following acts or parts of acts are
19 each repealed:

20 (1) RCW 84.14.005 (Findings) and 2007 c 430 s 1 & 1995 c 375 s 1;
21 and

22 (2) RCW 84.14.007 (Purpose) and 2014 c 96 s 2, 2012 c 194 s 1,
23 2007 c 430 s 2, & 1995 c 375 s 2.

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