

HOUSE BILL REPORT

HB 1025

*As Reported By House Committee on:
Appropriations*

Title: An act relating to growth strategies.

Brief Description: Establishing growth management strategies.

Sponsor(s): Representatives Cantwell, Betrozoff, Roland, Heavey, R. Meyers, Dorn, Holland, Paris, Wineberry, Wilson, May, Phillips, Wang, Sprenkle, Horn, Van Luven, Spanel, Wood, Prentice, Leonard, Haugen, Rust, Fraser, Nelson, Pruitt, G. Fisher, Jacobsen, R. Fisher, Valle, Hine, Winsley, Rasmussen, Scott, Forner, Brekke and Anderson; by request of Governor Gardner.

Brief History:

Reported by House Committee on:
Appropriations, March 9, 1991, DPS.

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *That Substitute House Bill No. 1025 be substituted therefor, and the substitute bill do pass.* Signed by 18 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Belcher; Braddock; Brekke; Dorn; Ebersole; Hine; May; Peery; Pruitt; H. Sommers; Sprenkle; Valle; Vance; Wang; and Wineberry.

Minority Report: *Do not pass.* Signed by 8 members: Representatives Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Bowman; Fuhrman; Lisk; McLean; Mielke; and Nealey.

Staff: Susan Kavanaugh (786-7130), Charlie Gavigan (786-7340), and Steve Lundin (786-7127).

Background: The 1990 Growth Management Act (GMA) established a series of goals to guide the planning activities of counties and cities that plan under the act. The Department of Community Development was authorized to adopt guidelines to assist such actions.

Who Must Plan: Counties with a population of at least 50,000 and growth of at least 10 percent over the last 10 years, counties of any size with at least 20 percent growth over the last 10 years, and the cities located in these counties, are required to comply with various growth management requirements. An excluded county can opt to place itself and the cities located in the county, under these requirements. Fifteen counties are subject to the GMA, and eight additional counties have opted to become subject to it. Grants and technical assistance are provided to counties and cities that plan under the act.

Natural Resource Lands and Critical Areas: By September 1, 1991, every county and city in the state must designate natural resource lands and critical areas within its planning jurisdiction. The natural resource lands include forest lands, agricultural lands, and mineral resource lands that have long-term commercial importance for forestry, agriculture, or mineral extraction. The critical areas include wetlands, areas with critical recharging effect on aquifers used for portable water, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas. Those counties and cities that plan under the act must protect the designated natural resource lands and critical areas from incompatible land uses by September 1, 1991.

Comprehensive Planning: By July 1, 1993, each county and city that plans under the act must adopt comprehensive plans that include the following:

1. Urban growth areas, designated by each county after consultation with cities: if agreement is not reached, the county designates but must justify the designations;
2. Natural resource lands;
3. Critical areas; and,
4. Various elements, including land use, housing, capital facilities plan, utilities, transportation, and, for counties, a rural element; the transportation element includes specific requirements for the provision of transportation improvements concurrently with development activity.

The comprehensive plans must be internally consistent. The elements relating to capital facilities, including transportation facilities, must be consistent and coordinated with the land use element. The comprehensive

plans of counties and cities that plan under the act must be coordinated with the comprehensive plans of those counties and cities that plan under the act with which the county or city has, in part, common borders or related regional issues.

Within one year of adopting its comprehensive plan, each county and city that plans under the act must adopt development regulations that implement its plan.

Regional Planning: Provisions were made for the development of regional transportation plans by Regional Transportation Planning Organizations. Thirty-one counties belong to a regional planning organization.

Encouraging Economic Growth State-wide: Several provisions were made to encourage economic development statewide, especially in rural areas experiencing little or no growth. These provisions focused on building local capacity for economic growth in rural areas, developing rural-urban links, and studying ways to make state economic development services more effective and more accessible, particularly in rural communities.

Other Provisions: Counties and cities that plan under the act may impose impact fees on development activities to finance: (1) streets and roads; (2) publicly owned parks, open spaces, and recreational facilities; (3) school facilities; and (4) city or town fire protection facilities. The fees may be imposed if the county or city has adopted a capital facilities element to its comprehensive plan that addresses the types of facilities for which impact fees are imposed.

Counties and cities that are required to plan under the act may impose housing relocation fees on development activities that remove low-income housing to finance a portion of the resulting housing relocation costs of low-income persons who are forced to move.

Counties and cities that are required to plan under the act may impose a real estate transfer tax of up to 0.25 percent to finance capital facilities specified in the capital facilities element of their comprehensive plans. Other counties and cities that choose to plan under the act may submit a ballot proposition to their voters to authorize the imposition of this tax.

Summary of Substitute Bill: The 1990 Growth Management Act (GMA) is modified and expanded.

Who Must Plan: The classes of counties that are required to plan under the GMA are expanded to include any county with a population of 100,000 or more. This would add Spokane County and the cities within it.

Agricultural, Forest & Mineral Resource Lands and Critical Areas: All counties and cities not required to protect designated agriculture, forest & mineral resource lands and critical areas by September 1, 1991 must do so by September 1, 1992.

Counties and cities that plan under the GMA must also designate open space lands that the local government is permanently protecting. This must be done by September 1, 1992. A committee is established to prepare a state open space map and also to make recommendations for identifying natural resource lands of state-wide significance and minimum standards to protect them.

Goals and Planning: New planning goals are added regarding siting of regional and state public facilities, air and water resources, public lands and state trust lands. The nature of all planning goals is altered from being a guide for developing comprehensive plans to being substantive policies that must be conformed to by counties and cities that plan under the GMA, special districts located in such counties and cities, and state agencies.

Comprehensive plans of counties and cities planning under the GMA must consider water resources, providing a fair share of affordable housing, and the following new elements: (1) historic sites; (2) environmental management; (3) open space and outdoor recreation; (4) siting public facilities and (5) economic development; and (6) private property.

Urban growth areas must be divided into two tiers; the first is based on a 10-year growth forecast while the second is based on a 20-year growth forecast. The 10-year tier of an urban growth area must be substantially developed before suburban or urban development is permitted beyond it in the 20-year tier. Tier boundaries may not be drawn to anticipate significantly more growth than is projected for the 10 and 20-year periods.

New fully contained urban communities are authorized within urban growth areas. No city or town may incorporate outside a designated urban growth area.

Special purpose districts and state agencies must conform to the goals of the GMA and be consistent with the comprehensive plans and development regulations of applicable counties and cities.

Vesting, i.e. the right to develop under current regulations, occurs when a permit is issued, or when final approval is given for a subdivision, rather than at the time application is made, while counties and cities develop their comprehensive plans and regulations under the GMA.

Housing and impact fee provisions in the GMA are expanded.

Regional Planning: Regional planning is mandatory for economic development; everything else is optional.

Incentives are provided to encourage regional planning in other areas.

Regional plans must be agreed upon by either one county and a substantial proportion of the city population within it, or by several counties and a substantial proportion of the cities or city population within them.

State Review of Local Plans and Regulations: Counties and cities must submit the final draft of proposed comprehensive plans and development regulations to the Department of Community Development for comment. These local governments must also send the adopted plan and regulations to the Department of Community Development for review. The governor and Department of Natural Resources (DNR) may challenge the adopted plans and regulations as not meeting the requirements of the GMA by appealing to the Growth Management Hearings Board.

The Growth Management Hearings Board is established to hear challenges by: (1) the governor or DNR to local government plans or regulations; (2) local governments to state actions; (3) the department or local governments regarding interjurisdictional coordination; and (4) citizens (a) who have officially commented on the plan or regulation being challenged, (b) who are aggrieved by a permit decision, or (c) who have been certified as having a valid issue by the governor.

The Hearings Board is part of the Environmental Hearings Office. The board is comprised of three full-time and two part-time members appointed by the governor.

The state Business Assistance Center must provide information, on request, to businesses regarding agency rules that apply to them. All state agencies that regulate business must designate a staff person to assist in this effort. Businesses must also be given greater opportunity to comment on proposed rules that would affect them.

A State Agency Coordinating Council is created to make recommendations to the Legislature and governor regarding a public infrastructure policy and financing, and providing incentives for local governments to comply with the act. The council must coordinate state economic development efforts, mediate disputes among state agencies regarding the siting of regional and state public facilities, and advise the governor on growth management issues.

A joint select legislative committee is created to monitor growth management.

Enforcement of the Act: If the Growth Management Hearings Board finds that a state agency, county, or city does not conform to the GMA, and the local government or state agency has not complied with the board's order within one year, the governor may impose sanctions. The governor may withhold rural and urban arterial funds, as well as gas, real estate excise, sales and use, liquor profit, and liquor excise tax revenues, from counties or cities. Likewise, the governor may reduce state agency allotments.

Substitute Bill Compared to Original Bill: Agricultural, Forest & Mineral Resources and Critical Areas: Guidelines adopted by the Department of Community Development regarding agricultural, forest and mineral resource lands and critical areas are not changed from guidelines to standards.

Rather than the Interagency Committee on Outdoor Recreation compiling a state open space plan, a committee, consisting of representatives of several state agencies, cities, counties, ports and the public, will do so. This same committee must make recommendations for identifying natural resource lands of statewide significance and for minimum standards to protect them. Natural resource lands of statewide significance are defined.

Related secondary uses are permitted on agricultural, forest and mineral resource lands. Limited secondary uses due to unique local circumstances, such as radio lines, are also permitted on these lands.

Goals and Planning: Goals regarding air and water quality, public utilities and state trust lands are added. Transportation goals are modified.

Several changes are made in the roster of issues that must be addressed in comprehensive plans: An economic development element is added. The annexation and incorporation component is removed.

The transportation component is expanded to provide for 20-year planning and add goals related to travel mode and vehicle occupancy. Both the transportation and land use elements are altered to include consideration of air and water quality. The design element is made optional.

The open space element is amended to specify that open spaces should be designated as permanent open space only if funding for acquisition, or some other method for acquisition, is available. Cities and counties that want permanent open space protection must acquire sufficient interest in the land to achieve it.

The requirement that the 10-year urban growth tier be developed before the 20-year tier is added, as is a requirement tying urban growth boundaries to expected population growth.

Regional Planning: Regional planning for economic development is made mandatory. Regional planning for siting of public facilities is made optional.

State Review of Local Plans and Regulations: The governor or the Department of Natural Resources may appeal to the Growth Management Hearings Board, but the Department of Community Development may not. The grounds for appeal by the state are limited and specified.

Any person may, if certified by the governor, appeal to the board regarding plans. Aggrieved individuals may also appeal to the board regarding permits issued, denied, or rescinded.

The composition of the board is changed from six full-time to three full-time and two part-time members.

Language specifying that state agencies and the Business Assistance center must provide information to requesting businesses is added, as is the requirement that they provide greater opportunity to comment on proposed rules.

The State Agency Coordinating Council and joint select legislative committee are added.

Enforcement of the Act: The gas tax, rural and urban arterial funds and the transportation improvement account are substituted for the motor vehicle excise tax in the list of tax sources from which the governor may withhold distributions to cities and counties as a sanction for failure to comply with a Growth Management Hearings Board decision.

Other Changes: The list of purposes for which impact fees may be imposed on development activities is expanded to include sidewalks, bicycle trails, transit stops, mass transit systems, and replacement of low-income housing.

All jurisdictions that plan under the act, not just those that are required to do so, may impose fees on development activity to pay a portion of relocation costs for low-income tenants who are displaced.

Environmental review under the State Environmental Protection Act (SEPA) must be done as early as possible. Environmental impact statements (EIS) regarding proposed comprehensive plans and associated development regulations must analyze significant adverse environmental impacts of the plan or regulations.

Housing projects are added to the list of allowable uses for the optional local 0.25 percent real estate excise tax.

Fiscal Note: Available. New fiscal note requested March 11, 1991.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is important legislation needed to preserve the quality of life in the state. It strengthens and adds to the Growth Management Act of 1990. The design

element in plans is important and should be made mandatory. The compensation requirements proposed by the Natural Resources Committee are potentially very costly and should not be incorporated into HB 1025. The density provisions are important for cities.

Testimony Against: None.

Witnesses: (Includes persons testifying on Substitute House Bills (SHB) 1668, 1669, 1670, 1671, 1672 and 1673 all of which include portions of HB 1025): Richard Youel, American Institute of Architects (in favor); Dennis Haskell, American Institute of Architects (in favor); Jeff Parsons, National Audubon Society (in favor); Scott Nelson, Washington Natural Gas; Mike Tracy, Puget Power; Bruce Wisgeart, Sierra Club (in favor, SHB 1673); Lucy Steers, League of Women Voters (in favor); Conrad Hermsted; Meta Heller; Robert Jacobson, Senior Lobby (in favor); David Williams, Association of Washington Cities; Paul Parker, Washington State Association of Counties; Mike Ryherd, Low Income Housing Congress (in favor); Mike McCormick, Department of Community Development; Chris Leeman, Coalition of Washington Communities (in favor); and Chris Howard, Department of Transportation (in favor).