
SUBSTITUTE SENATE BILL 5914

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Prentice, McCaslin, Oke, Kline, Sheahan, Franklin, Shin, Goings, Haugen, Winsley and Rasmussen)

Read first time 03/03/1999.

1 AN ACT Relating to enforcement and incentive measures for
2 compliance with growth management housing goals in counties with a
3 population of one million five hundred thousand or more; amending RCW
4 36.70A.010, 36.70A.070, 36.70A.215, 36.70A.345, 47.80.050, 82.46.010,
5 43.17.250, 43.160.060, 70.146.070, and 84.14.010; and adding new
6 sections to chapter 36.70A RCW.

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

8 **Sec. 1.** RCW 36.70A.010 and 1990 1st ex.s. c 17 s 1 are each
9 amended to read as follows:

10 The legislature finds that uncoordinated and unplanned growth,
11 together with a lack of common goals expressing the public's interest
12 in the conservation and the wise use of our lands, pose a threat to the
13 environment, sustainable economic development, and the health, safety,
14 and high quality of life enjoyed by residents of this state. It is in
15 the public interest that citizens, communities, local governments, and
16 the private sector cooperate and coordinate with one another in
17 comprehensive land use planning. It is in the public interest to
18 direct growth to urban areas and accommodate housing for all economic
19 segments of the population. To achieve these goals, the legislature

1 finds that communities must plan for the density necessary to
2 accommodate the population growth projected, implement measures to
3 provide the necessary infrastructure, and encourage an adequate supply
4 of housing in urban areas, particularly on lands in proximity to
5 frequent transit service. Further, the legislature finds that it is in
6 the public interest that economic development programs be shared with
7 communities experiencing insufficient economic growth.

8 **Sec. 2.** RCW 36.70A.070 and 1998 c 171 s 2 are each amended to read
9 as follows:

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

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

19 (1) A land use element designating the proposed general
20 distribution and general location and extent of the uses of land, where
21 appropriate, for agriculture, timber production, housing, commerce,
22 industry, recreation, open spaces, general aviation airports, public
23 utilities, public facilities, and other land uses. The land use
24 element shall include population densities, building intensities, and
25 estimates of future population growth. The land use element shall
26 provide for protection of the quality and quantity of ground water used
27 for public water supplies. Where applicable, the land use element
28 shall review drainage, flooding, and storm water run-off in the area
29 and nearby jurisdictions and provide guidance for corrective actions to
30 mitigate or cleanse those discharges that pollute waters of the state,
31 including Puget Sound or waters entering Puget Sound.

32 (2) A housing element ensuring the vitality and character of
33 established residential neighborhoods that:

34 (a) Includes an inventory and analysis of existing and projected
35 housing needs;

36 (b) Includes a statement of goals, policies, objectives, and
37 mandatory provisions for the preservation, improvement, and development
38 of housing, including single-family residences;

1 (c) For a county with a population of one million five hundred
2 thousand or more, and any city within such county, specifies goals for
3 net new housing units to be produced at ten-year intervals as provided
4 by the county-wide planning policy;

5 (d) Identifies sufficient land for housing, including, but not
6 limited to, government-assisted housing, housing for low-income
7 families, manufactured housing, multifamily housing, and group homes
8 and foster care facilities. For a county with a population of one
9 million five hundred thousand or more, and any city within such county,
10 the housing element shall also identify applicable development
11 regulations that allow for moderate to high-density development to
12 accommodate such housing; and

13 (~~(d)~~) (e) Makes adequate provisions for existing and projected
14 needs of all economic segments of the community.

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

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

31 (5) Rural element. Counties shall include a rural element
32 including lands that are not designated for urban growth, agriculture,
33 forest, or mineral resources. The following provisions shall apply to
34 the rural element:

35 (a) Growth management act goals and local circumstances. Because
36 circumstances vary from county to county, in establishing patterns of
37 rural densities and uses, a county may consider local circumstances,
38 but shall develop a written record explaining how the rural element

1 harmonizes the planning goals in RCW 36.70A.020 and meets the
2 requirements of this chapter.

3 (b) Rural development. The rural element shall permit rural
4 development, forestry, and agriculture in rural areas. The rural
5 element shall provide for a variety of rural densities, uses, essential
6 public facilities, and rural governmental services needed to serve the
7 permitted densities and uses. In order to achieve a variety of rural
8 densities and uses, counties may provide for clustering, density
9 transfer, design guidelines, conservation easements, and other
10 innovative techniques that will accommodate appropriate rural densities
11 and uses that are not characterized by urban growth and that are
12 consistent with rural character.

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

16 (i) Containing or otherwise controlling rural development;

17 (ii) Assuring visual compatibility of rural development with the
18 surrounding rural area;

19 (iii) Reducing the inappropriate conversion of undeveloped land
20 into sprawling, low-density development in the rural area;

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

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

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

31 (i) Rural development consisting of the infill, development, or
32 redevelopment of existing commercial, industrial, residential, or
33 mixed-use areas, whether characterized as shoreline development,
34 villages, hamlets, rural activity centers, or crossroads developments.
35 A commercial, industrial, residential, shoreline, or mixed-use area
36 shall be subject to the requirements of (d)(iv) of this subsection, but
37 shall not be subject to the requirements of (c)(ii) and (iii) of this
38 subsection. An industrial area is not required to be principally
39 designed to serve the existing and projected rural population;

1 (ii) The intensification of development on lots containing, or new
2 development of, small-scale recreational or tourist uses, including
3 commercial facilities to serve those recreational or tourist uses, that
4 rely on a rural location and setting, but that do not include new
5 residential development. A small-scale recreation or tourist use is
6 not required to be principally designed to serve the existing and
7 projected rural population. Public services and public facilities
8 shall be limited to those necessary to serve the recreation or tourist
9 use and shall be provided in a manner that does not permit low-density
10 sprawl;

11 (iii) The intensification of development on lots containing
12 isolated nonresidential uses or new development of isolated cottage
13 industries and isolated small-scale businesses that are not principally
14 designed to serve the existing and projected rural population and
15 nonresidential uses, but do provide job opportunities for rural
16 residents. Public services and public facilities shall be limited to
17 those necessary to serve the isolated nonresidential use and shall be
18 provided in a manner that does not permit low-density sprawl;

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

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

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

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

4 (C) On the date the office of financial management certifies the
5 county's population as provided in RCW 36.70A.040(5), in a county that
6 is planning under all of the provisions of this chapter pursuant to RCW
7 36.70A.040(5).

8 (e) Exception. This subsection shall not be interpreted to permit
9 in the rural area a major industrial development or a master planned
10 resort unless otherwise specifically permitted under RCW 36.70A.360 and
11 36.70A.365.

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

14 (a) The transportation element shall include the following
15 subelements:

16 (i) Land use assumptions used in estimating travel;

17 (ii) Estimated traffic impacts to state-owned transportation
18 facilities resulting from land use assumptions to assist the department
19 of transportation in monitoring the performance of state facilities, to
20 plan improvements for the facilities, and to assess the impact of land-
21 use decisions on state-owned transportation facilities;

22 (iii) Facilities and services needs, including:

23 (A) An inventory of air, water, and ground transportation
24 facilities and services, including transit alignments and general
25 aviation airport facilities, to define existing capital facilities and
26 travel levels as a basis for future planning. This inventory must
27 include state-owned transportation facilities within the city or
28 county's jurisdiction boundaries;

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

32 (C) For state-owned transportation facilities, level of service
33 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW,
34 to gauge the performance of the system. The purposes of reflecting
35 level of service standards for state highways in the local
36 comprehensive plan are to monitor the performance of the system, to
37 evaluate improvement strategies, and to facilitate coordination between
38 the county's or city's six-year street, road, or transit program and
39 the department of transportation's six-year investment program. The

1 concurrency requirements of (b) of this subsection do not apply to
2 transportation facilities and services of state-wide significance
3 except for counties consisting of islands whose only connection to the
4 mainland are state highways or ferry routes. In these island counties,
5 state highways and ferry route capacity must be a factor in meeting the
6 concurrency requirements in (b) of this subsection;

7 (D) Specific actions and requirements for bringing into compliance
8 locally owned transportation facilities or services that are below an
9 established level of service standard;

10 (E) Forecasts of traffic for at least ten years based on the
11 adopted land use plan to provide information on the location, timing,
12 and capacity needs of future growth;

13 (F) Identification of state and local system needs to meet current
14 and future demands. Identified needs on state-owned transportation
15 facilities must be consistent with the state-wide multimodal
16 transportation plan required under chapter 47.06 RCW;

17 (iv) Finance, including:

18 (A) An analysis of funding capability to judge needs against
19 probable funding resources;

20 (B) A multiyear financing plan based on the needs identified in the
21 comprehensive plan, the appropriate parts of which shall serve as the
22 basis for the six-year street, road, or transit program required by RCW
23 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795
24 for public transportation systems. The multiyear financing plan should
25 be coordinated with the six-year improvement program developed by the
26 department of transportation as required by RCW 47.05.030;

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

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

34 (vi) Demand-management strategies.

35 (b) After adoption of the comprehensive plan by jurisdictions
36 required to plan or who choose to plan under RCW 36.70A.040, local
37 jurisdictions must adopt and enforce ordinances which prohibit
38 development approval if the development causes the level of service on
39 a locally owned transportation facility to decline below the standards

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

11 (c) The transportation element described in this subsection (6),
12 and the six-year plans required by RCW 35.77.010 for cities, RCW
13 36.81.121 for counties, RCW 35.58.2795 for public transportation
14 systems, and RCW 47.05.030 for the state, must be consistent.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
16 to read as follows:

17 In addition to the requirements of RCW 36.70A.210, a county with a
18 population of one million five hundred thousand or more shall address,
19 in its county-wide planning policy, policies that consider the need for
20 affordable housing, such as housing for all economic segments of the
21 population and parameters for its distribution to the urban,
22 unincorporated areas of the county and each of the cities within the
23 county. By December 31, 1999, county-wide planning policies shall
24 incorporate goals for housing production for the county and each city,
25 in ten-year intervals, sufficient to accommodate housing needs based
26 upon twenty-year population growth projected by the office of financial
27 management. New goals shall be established when the office of
28 financial management issues new population projections.

29 **Sec. 4.** RCW 36.70A.215 and 1997 c 429 s 25 are each amended to
30 read as follows:

31 (1) Subject to the limitations in subsection (7) of this section,
32 a county shall adopt, in consultation with its cities, county-wide
33 planning policies to establish a review and evaluation program. This
34 program shall be in addition to the requirements of RCW 36.70A.110,
35 36.70A.130, and 36.70A.210. In developing and implementing the review
36 and evaluation program required by this section, the county and its
37 cities shall consider information from other appropriate jurisdictions

1 and sources. The purpose of the review and evaluation program shall be
2 to:

3 (a) Determine whether a county and its cities are achieving urban
4 densities within urban growth areas by comparing growth and development
5 assumptions, targets, and objectives contained in the county-wide
6 planning policies and the county and city comprehensive plans with
7 actual growth and development that has occurred in the county and its
8 cities; and

9 (b) Identify reasonable measures, other than adjusting urban growth
10 areas, that will be taken to comply with the requirements of this
11 chapter.

12 (2) The review and evaluation program shall:

13 (a) Encompass land uses and activities both within and outside of
14 urban growth areas and provide for annual collection of data on urban
15 and rural land uses, development, critical areas, and capital
16 facilities to the extent necessary to determine the quantity and type
17 of land suitable for development, both for residential and employment-
18 based activities;

19 (b) Provide for evaluation of the data collected under (a) of this
20 subsection every five years as provided in subsection (3) of this
21 section. The first evaluation shall be completed not later than
22 September 1, 2002. The county and its cities may establish in the
23 county-wide planning policies indicators, benchmarks, and other similar
24 criteria to use in conducting the evaluation;

25 (c) Provide for methods to resolve disputes among jurisdictions
26 relating to the county-wide planning policies required by this section
27 and procedures to resolve inconsistencies in collection and analysis of
28 data; and

29 (d) Provide for the amendment of the county-wide policies and
30 county and city comprehensive plans as needed to remedy an
31 inconsistency identified through the evaluation required by this
32 section, or to bring these policies into compliance with the
33 requirements of this chapter.

34 (3) At a minimum, the evaluation component of the program required
35 by subsection (1) of this section shall:

36 (a) Determine whether there is sufficient suitable land to
37 accommodate the county-wide population projection established for the
38 county pursuant to RCW 43.62.035 and the subsequent population

1 allocations within the county and between the county and its cities and
2 the requirements of RCW 36.70A.110;

3 (b) Determine the actual density of housing that has been
4 constructed and the actual amount of land developed for commercial and
5 industrial uses within the urban growth area since the adoption of a
6 comprehensive plan under this chapter or since the last periodic
7 evaluation as required by subsection (1) of this section; and

8 (c) Based on the actual density of development as determined under
9 (b) of this subsection, review commercial, industrial, and housing
10 needs by type and density range to determine the amount of land needed
11 for commercial, industrial, and housing for the remaining portion of
12 the twenty-year planning period used in the most recently adopted
13 comprehensive plan.

14 (4) If the evaluation required by subsection (3) of this section
15 demonstrates an inconsistency between what has occurred since the
16 adoption of the county-wide planning policies and the county and city
17 comprehensive plans and development regulations and what was envisioned
18 in those policies and plans and the planning goals and the requirements
19 of this chapter, as the inconsistency relates to the evaluation factors
20 specified in subsection (3) of this section, the county and its cities
21 shall adopt and implement measures that are reasonably likely to
22 increase consistency during the subsequent five-year period. If
23 necessary, a county, in consultation with its cities as required by RCW
24 36.70A.210, shall adopt amendments to county-wide planning policies to
25 increase consistency. The county and its cities shall annually monitor
26 the measures adopted under this subsection to determine their effect
27 and may revise or rescind them as appropriate.

28 (5)(a) Not later than July 1, 1998, the department shall prepare a
29 list of methods used by counties and cities in carrying out the types
30 of activities required by this section. The department shall provide
31 this information and appropriate technical assistance to counties and
32 cities required to or choosing to comply with the provisions of this
33 section.

34 (b) By December 31, 2007, the department shall submit to the
35 appropriate committees of the legislature a report analyzing the
36 effectiveness of the activities described in this section in achieving
37 the goals envisioned by the county-wide planning policies and the
38 comprehensive plans and development regulations of the counties and
39 cities.

1 (6) From funds appropriated by the legislature for this purpose,
2 the department shall provide grants to counties, cities, and regional
3 planning organizations required under subsection (7) of this section to
4 conduct the review and perform the evaluation required by this section.

5 (7) The provisions of this section shall apply to counties, and the
6 cities within those counties, that were greater than one hundred fifty
7 thousand in population in 1995 as determined by office of financial
8 management population estimates and that are located west of the crest
9 of the Cascade mountain range but does not apply to any county with a
10 population of one million five hundred thousand or more nor to the
11 cities within such county. Any other county planning under RCW
12 36.70A.040 may carry out the review, evaluation, and amendment programs
13 and procedures as provided in this section.

14 NEW SECTION. Sec. 5. A new section is added to chapter 36.70A RCW
15 to read as follows:

16 (1) Subject to the limitations in subsection (12) of this section,
17 a county subject to this section shall adopt, in consultation with its
18 cities, county-wide planning policies to establish a review and
19 evaluation program. This program shall be in addition to the
20 requirements of RCW 36.70A.110, 36.70A.130, and 36.70A.210. In
21 developing and implementing the review and evaluation program required
22 by this section, the county and its cities shall consider information
23 from other appropriate jurisdictions and sources. The purpose of the
24 review and evaluation program shall be to:

25 (a) Determine whether the county and its cities are achieving urban
26 densities within urban growth areas by comparing growth and development
27 assumptions, targets, and objectives contained in the county-wide
28 planning policies and the county and city comprehensive plans and
29 development regulations with actual growth and development that has
30 occurred in the county and its cities;

31 (b) Determine whether the county and each of its cities are
32 achieving goals established for net new housing units to be produced in
33 ten-year intervals to meet twenty-year household projections, as
34 provided by the county-wide planning policy and comprehensive plan, and
35 are making adequate provision for existing and projected housing needs
36 of all economic segments of the community; and

1 (c) Identify reasonable measures, other than adjusting urban growth
2 areas, that will be taken to comply with the requirements of this
3 chapter.

4 (2) The review and evaluation program shall:

5 (a) Encompass land uses and activities both within and outside of
6 urban growth areas and provide for annual collection and reporting of
7 data to the department on urban and rural land uses, development,
8 critical areas, and capital facilities to the extent necessary to
9 determine the quantity and type of land suitable for development, both
10 for residential and employment-based activities;

11 (b) Development data collected shall, at a minimum, include:

12 (i) The number of applications made for residential development,
13 and the number of residential units;

14 (ii) The number of applications approved, the number of residential
15 units, and density of residential units compared to maximum density
16 allowed on the site;

17 (iii) The net number of new residential dwelling units;

18 (iv) The number of applications made for commercial and industrial
19 development;

20 (v) The number of applications approved for commercial and
21 industrial development, including the square footage and estimated
22 number of employees;

23 (vi) The estimated net number of new jobs created reported on a
24 biennial basis from existing data;

25 (vii) An assessment of market factors including a county-wide
26 analysis of housing availability inside and outside urban growth
27 boundaries; and

28 (viii) An assessment of the availability of public services and
29 facilities to serve the population growth.

30 (c) Provide for evaluation of the data collected under (a) of this
31 subsection every ten years as provided in subsection (3) of this
32 section. The first evaluation shall be completed not later than
33 September 1, 2002. The county and its cities may establish in the
34 county-wide planning policies indicators, benchmarks, and other similar
35 criteria to use in conducting the evaluation;

36 (d) Provide for methods to resolve disputes among jurisdictions
37 relating to the county-wide planning policies required by this section
38 and procedures to resolve inconsistencies in collection and analysis of
39 data; and

1 (e) Provide for the amendment of the county-wide policies and
2 county and city comprehensive plans and development regulations as
3 needed to remedy an inconsistency identified through the evaluation
4 required by this section, or to bring these policies into compliance
5 with the requirements of this chapter.

6 (3) At a minimum, the evaluation component of the program required
7 by subsection (1) of this section shall:

8 (a) Require a joint report from the county and its cities regarding
9 regional growth patterns, trends, comparing employment, housing growth,
10 and market conditions; and compiling data on new development;

11 (b) Determine whether there is sufficient land suitable for
12 development to accommodate the county-wide population projection
13 established for the county pursuant to RCW 43.62.035 and the subsequent
14 population allocations within the county and between the county and its
15 cities and the requirements of RCW 36.70A.110;

16 (c) Determine the actual density of housing that has been
17 constructed, the actual amount of land developed for commercial and
18 industrial uses within the urban growth area since the adoption of a
19 comprehensive plan under this chapter or since the last periodic
20 evaluation as required by subsection (1) of this section, and the
21 amount of known environmentally sensitive land and public open space
22 that cannot be built upon; and

23 (d) Based on the actual density of development as determined under
24 (c) of this subsection, review commercial, industrial, and housing
25 needs by type and density range to determine the amount of land needed
26 for commercial, industrial, and housing for the remaining portion of
27 the twenty-year planning period used in the most recently adopted
28 comprehensive plan.

29 (4) If the evaluation required by subsection (3) of this section
30 demonstrates an inconsistency between what has occurred since the
31 adoption of the county-wide planning policies and the county and city
32 comprehensive plans and development regulations and what was envisioned
33 in those policies and plans and the planning goals and the requirements
34 of this chapter, as the inconsistency relates to the evaluation factors
35 specified in subsection (3) of this section; or demonstrates that the
36 county or any city has fallen short of its ten-year goal for new
37 residential construction by more than fifteen percent, or is not
38 developing per the land use designations and densities planned for the
39 jurisdiction in its comprehensive plan based on the evaluation factors

1 specified in subsection (3) of this section, the county or city shall
2 revise its comprehensive land use plan and development or other
3 regulations as necessary. The county or city not meeting the criteria
4 shall adopt and implement measures within one year or within the next
5 cycle to revise local planning documents that will increase consistency
6 during the subsequent ten-year period and ensure that the jurisdiction
7 can accommodate the residential units necessary for population growth
8 and density projected for the jurisdiction in the county-wide planning
9 policy and its comprehensive plan. If necessary, a county, in
10 consultation with its cities as required by RCW 36.70A.210, shall adopt
11 amendments to county-wide planning policies to increase consistency.
12 Failure to make appropriate changes in the period specified shall make
13 the jurisdiction subject to petition to the growth management hearings
14 board for noncompliance. The county and its cities shall annually
15 monitor the measures adopted under this subsection to determine their
16 effect and may revise or rescind them as appropriate. Measures to
17 accommodate growth include, but are not limited to, the following:

18 (a) Upzoning or revising zoning designations for land within the
19 boundaries of the jurisdiction in a manner that encourages development
20 to occur at densities sufficient to accommodate residential,
21 commercial, and industrial needs for twenty years; and

22 (b) Amending the jurisdiction's comprehensive plan or development
23 regulations to include incentive-based measures that encourage
24 development to occur at densities sufficient to accommodate
25 residential, commercial, and industrial needs for twenty years.
26 Incentive-based measures may include, but are not limited to:

27 (i) Financial incentives and regulatory flexibility for higher
28 density housing;

29 (ii) Redevelopment and infill strategies;

30 (iii) Authorization of housing types not previously allowed by the
31 comprehensive plan or development regulations;

32 (iv) Allowing for subdivisions to achieve lot size reductions;

33 (v) Encouraging mixed use development through zoning and
34 incentives; and

35 (vi) Subsidizing fees or taxes for housing accommodating low-income
36 and moderate-income households.

37 (5) In establishing that actions and measures adopted under
38 subsection (4) of this section encourage development to occur at
39 densities sufficient to accommodate residential, commercial, and

1 industrial needs for twenty years, the county or city shall, at a
2 minimum, demonstrate to the department that all urban land designated
3 for housing and commercial and industrial uses is zoned at density
4 ranges that are demonstrably more likely than not to be achieved by the
5 market.

6 (6) Amendments to comprehensive plans and development regulations
7 by the county and its cities must comply with this chapter.

8 (7) On and after the effective date of this act, jurisdictions
9 participating in the review and evaluation program established by this
10 section, and whose zoning is consistent with its comprehensive plan,
11 shall be entitled to incentive provisions to help accommodate growth
12 and achieve goals, including:

13 (a) Authorization to use their portion of the local option real
14 estate excise tax for capital costs of low-income housing as prescribed
15 by RCW 82.46.010;

16 (b) Authorization to utilize state funding for "transfer of
17 development rights" banks and amenities to accommodate growth as
18 provided for in the state general fund budget;

19 (c) Eligibility for property tax abatement for multifamily housing,
20 as prescribed by chapter 84.14 RCW;

21 (d) Upon achieving growth of not less than fifteen percent below
22 projected goals, additional points shall be granted in funding formulas
23 used to award state grants as prescribed by RCW 43.17.250, 43.160.060,
24 and 70.146.070. Such additional points shall only be considered when
25 comparing grant applications from jurisdictions subject to and in
26 compliance with this section; and

27 (e) Upon achieving growth of not less than fifteen percent below
28 projected goals, additional points shall be awarded for allocation of
29 transit and transportation funding as prescribed by RCW 47.80.050.
30 Such points shall only be considered when comparing applications from
31 jurisdictions subject to and in compliance with this section.

32 (8) County-wide planning policies may contain additional incentive
33 provisions and enforcement measures to accommodate growth and achieve
34 housing goals.

35 (9)(a) Not later than July 1, 1998, the department shall prepare a
36 list of methods used by counties and cities in carrying out the types
37 of activities required by this section. The department shall provide
38 this information and appropriate technical assistance to counties and

1 cities required to or choosing to comply with the provisions of this
2 section.

3 (b) By December 31, 2003 and 2008, the department shall submit to
4 the appropriate committees of the legislature a report analyzing the
5 effectiveness of the activities described and measures taken by the
6 counties and cities in this section in achieving the goals envisioned
7 by the county-wide planning policies and the comprehensive plans and
8 development regulations of the counties and cities.

9 (10) From funds appropriated by the legislature for this purpose,
10 the department shall provide grants to counties, cities, and regional
11 planning organizations required under subsection (12) of this section
12 to conduct the review and perform the evaluation required by this
13 section.

14 (11) For the purposes of this section, "land suitable for
15 development" means all vacant, partially used, redevelopable, or
16 underutilized land that, after taking into account the protection of
17 critical areas, is: (a) Designated for commercial, industrial, or
18 residential use; and (b) not intended for public use.

19 (12) This section applies only to a county with a population of one
20 million five hundred thousand or more and to any city within such
21 county.

22 **Sec. 6.** RCW 36.70A.345 and 1994 c 249 s 33 are each amended to
23 read as follows:

24 The governor may impose a sanction or sanctions specified under RCW
25 36.70A.340 on:

26 (1) A county or city that fails to designate critical areas,
27 agricultural lands, forest lands, or mineral resource lands under RCW
28 36.70A.170 by the date such action was required to have been taken;

29 (2) A county or city that fails to adopt development regulations
30 under RCW 36.70A.060 protecting critical areas or conserving
31 agricultural lands, forest lands, or mineral resource lands by the date
32 such action was required to have been taken;

33 (3) A county that fails to designate urban growth areas under RCW
34 36.70A.110 by the date such action was required to have been taken;
35 ((and))

36 (4) A county or city that fails to adopt its comprehensive plan or
37 development regulations when such actions are required to be taken;

1 (5) A county or city that fails to provide sufficient land suitable
2 for development to accommodate its share of a county-wide population
3 projection established for the county pursuant to RCW 43.62.035 and the
4 subsequent population allocations within the county and between the
5 county and its cities and the requirements of RCW 36.70A.110;

6 (6) A county or city that fails to sufficiently plan to accommodate
7 growth, or provide incentive measures as necessary to encourage
8 development to accommodate residential needs, as prescribed in section
9 5 of this act;

10 (7) A county or city that fails to achieve not less than fifteen
11 percent below housing goals, or make significant progress toward
12 eliminating housing production obstacles and deficiencies within three
13 years, as prescribed in section 5 of this act.

14 Imposition of a sanction or sanctions under this section shall be
15 preceded by written findings by the governor, that either the county or
16 city is not proceeding in good faith to meet the requirements of the
17 act; or that the county or city has unreasonably delayed taking the
18 required action. The governor shall consult with and communicate his
19 or her findings to the appropriate growth management hearings board
20 prior to imposing the sanction or sanctions. For those counties or
21 cities that are not required to plan or have not opted in, the governor
22 in imposing sanctions shall consider the size of the jurisdiction
23 relative to the requirements of this chapter and the degree of
24 technical and financial assistance provided.

25 **Sec. 7.** RCW 47.80.050 and 1990 1st ex.s. c 17 s 57 are each
26 amended to read as follows:

27 Biennial appropriations to the department of transportation to
28 carry out the regional transportation planning program shall set forth
29 the amounts to be allocated as follows:

30 (1) A base amount per county for each county within each regional
31 transportation planning organization, to be distributed to the lead
32 planning agency;

33 (2) An amount to be distributed to each lead planning agency on a
34 per capita basis; ((and))

35 (3) An amount to be administered by the department of
36 transportation as a discretionary grant program for special regional
37 planning projects, including grants to allow counties which have

1 significant transportation interests in common with an adjoining region
2 to also participate in that region's planning efforts; and

3 (4) An amount to be administered by the department of
4 transportation for grants to counties and cities subject to and in
5 compliance with section 5 of this act.

6 **Sec. 8.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
7 as follows:

8 (1)(a) The legislative authority of any county or city shall
9 identify in the adopted budget the capital projects funded in whole or
10 in part from the proceeds of the tax authorized in this section, and
11 shall indicate that such tax is intended to be in addition to other
12 funds that may be reasonably available for such capital projects.

13 (b) The legislative authority of any county with a population of
14 one million five hundred thousand or more and any city within such
15 county shall identify in the adopted budget the capital projects and
16 low-income housing activities funded in whole or in part from the
17 proceeds of the tax authorized in this section, and shall indicate that
18 such tax is intended to be in addition to other funds that may be
19 reasonably available for such capital projects and low-income housing
20 activities.

21 (2) The legislative authority of any county or any city may impose
22 an excise tax on each sale of real property in the unincorporated areas
23 of the county for the county tax and in the corporate limits of the
24 city for the city tax at a rate not exceeding one-quarter of one
25 percent of the selling price. The revenues from this tax shall be used
26 by any city or county with a population of five thousand or less and
27 any city or county that does not plan under RCW 36.70A.040 for any
28 capital purpose identified in a capital improvements plan and local
29 capital improvements, including those listed in RCW 35.43.040.

30 ((After April 30, 1992,)) Revenues generated from the tax imposed
31 under this subsection in counties over five thousand population and
32 cities over five thousand population that are required or choose to
33 plan under RCW 36.70A.040 shall be used solely for financing capital
34 projects specified in a capital facilities plan element of a
35 comprehensive plan and housing relocation assistance under RCW
36 59.18.440 and 59.18.450, except as provided in section 5 of this act
37 for jurisdictions subject to and in compliance with section 5 of this
38 act. However, revenues (a) pledged by such counties and cities to debt

1 retirement prior to April 30, 1992, may continue to be used for that
2 purpose until the original debt for which the revenues were pledged is
3 retired, or (b) committed prior to April 30, 1992, by such counties or
4 cities to a project may continue to be used for that purpose until the
5 project is completed.

6 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
7 legislative authority of any county or any city may impose an
8 additional excise tax on each sale of real property in the
9 unincorporated areas of the county for the county tax and in the
10 corporate limits of the city for the city tax at a rate not exceeding
11 one-half of one percent of the selling price.

12 (4) Taxes imposed under this section shall be collected from
13 persons who are taxable by the state under chapter 82.45 RCW upon the
14 occurrence of any taxable event within the unincorporated areas of the
15 county or within the corporate limits of the city, as the case may be.

16 (5) Taxes imposed under this section shall comply with all
17 applicable rules, regulations, laws, and court decisions regarding real
18 estate excise taxes as imposed by the state under chapter 82.45 RCW.

19 (6) As used in this section((7)):

20 (a) "City" means any city or town ((and));

21 (b) "Capital project" means those public works projects of a local
22 government for planning, acquisition, construction, reconstruction,
23 repair, replacement, rehabilitation, or improvement of streets; roads;
24 highways; sidewalks; street and road lighting systems; traffic signals;
25 bridges; domestic water systems; storm and sanitary sewer systems;
26 parks; recreational facilities; law enforcement facilities; fire
27 protection facilities; trails; libraries; administrative and/or
28 judicial facilities; river and/or waterway flood control projects by
29 those jurisdictions that, prior to June 11, 1992, have expended funds
30 derived from the tax authorized by this section for such purposes;
31 ((and, until December 31, 1995, housing projects for those
32 jurisdictions that, prior to June 11, 1992, have expended or committed
33 to expend funds derived from the tax authorized by this section or the
34 tax authorized by RCW 82.46.035 for such purposes))

35 (c) "Low-income housing activities" include the capital costs for
36 planning, acquisition, building, improving, or restoring publicly owned
37 low-income housing, granting funds to nonprofit organizations for low-
38 income housing, and other financial aid or grants to individuals or
39 organizations, provided the amounts are dedicated solely to the capital

1 costs for planning, building, improvement, restoration, or provision of
2 low-income housing, from a local government subject to section 5 of
3 this act. A plan for the expenditure of the excise tax proceeds for
4 this purpose shall be prepared by the legislative authority prior to
5 the adoption of this plan, and a public hearing shall be held to obtain
6 public input;

7 (d) "Low-income housing" means housing provided for low-income
8 households; and

9 (e) "Low-income household" means a single person, family, or
10 unrelated persons living together whose income is at or below fifty
11 percent of the median income, adjusted for household size, in the
12 county where the low-income housing is located.

13 **Sec. 9.** RCW 43.17.250 and 1991 sp.s. c 32 s 25 are each amended to
14 read as follows:

15 Whenever a state agency is considering awarding grants or loans for
16 a county, city, or town to finance public facilities, it shall consider
17 whether the county, city, or town that is requesting the grant or loan
18 is a party to a county-wide planning policy under RCW 36.70A.210
19 relating to the type of public facility for which the grant or loan is
20 sought(~~(, and)~~); shall accord additional preference to the county,
21 city, or town if such county-wide planning policy exists; and shall
22 grant priority status to any county, city, or town subject to and in
23 compliance with section 5 of this act. Such priority status shall only
24 be granted when comparing grant applications from jurisdictions subject
25 to section 5 of this act. Whenever a state agency is considering
26 awarding grants or loans to a special district for public facilities,
27 it shall consider whether the county, city, or town in whose planning
28 jurisdiction the proposed facility is located is a party to a county-
29 wide planning policy under RCW 36.70A.210 relating to the type of
30 public facility for which the grant or loan is sought.

31 **Sec. 10.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
32 as follows:

33 The board is authorized to make direct loans to political
34 subdivisions of the state for the purposes of assisting the political
35 subdivisions in financing the cost of public facilities, including
36 development of land and improvements for public facilities, as well as
37 the construction, rehabilitation, alteration, expansion, or improvement

1 of the facilities. A grant may also be authorized for purposes
2 designated in this chapter, but only when, and to the extent that, a
3 loan is not reasonably possible, given the limited resources of the
4 political subdivision and the finding by the board that unique
5 circumstances exist. The board shall not obligate more than twenty
6 percent of its biennial appropriation as grants.

7 Application for funds shall be made in the form and manner as the
8 board may prescribe. In making grants or loans the board shall conform
9 to the following requirements:

10 (1) The board shall not provide financial assistance:

11 (a) For a project the primary purpose of which is to facilitate or
12 promote a retail shopping development or expansion.

13 (b) For any project that evidence exists would result in a
14 development or expansion that would displace existing jobs in any other
15 community in the state.

16 (c) For the acquisition of real property, including buildings and
17 other fixtures which are a part of real property.

18 (2) The board shall only provide financial assistance:

19 (a) For those projects which would result in specific private
20 developments or expansions (i) in manufacturing, production, food
21 processing, assembly, warehousing, and industrial distribution; (ii)
22 for processing recyclable materials or for facilities that support
23 recycling, including processes not currently provided in the state,
24 including but not limited to, de-inking facilities, mixed waste paper,
25 plastics, yard waste, and problem-waste processing; (iii) for
26 manufacturing facilities that rely significantly on recyclable
27 materials, including but not limited to waste tires and mixed waste
28 paper; (iv) which support the relocation of businesses from
29 nondistressed urban areas to distressed rural areas; or (v) which
30 substantially support the trading of goods or services outside of the
31 state's borders.

32 (b) For projects which it finds will improve the opportunities for
33 the successful maintenance, establishment, or expansion of industrial
34 or commercial plants or will otherwise assist in the creation or
35 retention of long-term economic opportunities.

36 (c) When the application includes convincing evidence that a
37 specific private development or expansion is ready to occur and will
38 occur only if the public facility improvement is made.

1 (3) The board shall prioritize each proposed project according to
2 the relative benefits provided to the community by the jobs the project
3 would create, not just the total number of jobs it would create after
4 the project is completed and according to the unemployment rate in the
5 area in which the jobs would be located. As long as there is more
6 demand for financial assistance than there are funds available, the
7 board is instructed to fund projects in order of their priority.

8 (4) A responsible official of the political subdivision shall be
9 present during board deliberations and provide information that the
10 board requests.

11 (5) Before any financial assistance application is approved, the
12 political subdivision seeking the assistance must demonstrate to the
13 (~~community economic revitalization~~) board that no other timely source
14 of funding is available to it at costs reasonably similar to financing
15 available from the (~~community economic revitalization~~) board.

16 (6) The board shall grant priority status to any political
17 subdivision subject to and in compliance with section 5 of this act.
18 Such priority status shall only be granted when comparing grant
19 applications from jurisdictions subject to section 5 of this act.

20 **Sec. 11.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
21 read as follows:

22 When making grants or loans for water pollution control facilities,
23 the department shall consider the following:

24 (1) The protection of water quality and public health;

25 (2) The cost to residential ratepayers if they had to finance water
26 pollution control facilities without state assistance;

27 (3) Actions required under federal and state permits and compliance
28 orders;

29 (4) The level of local fiscal effort by residential ratepayers
30 since 1972 in financing water pollution control facilities;

31 (5) The extent to which the applicant county or city, or if the
32 applicant is another public body, the extent to which the county or
33 city in which the applicant public body is located, has established
34 programs to mitigate nonpoint pollution of the surface or subterranean
35 water sought to be protected by the water pollution control facility
36 named in the application for state assistance; and

37 (6) The recommendations of the Puget Sound action team and any
38 other board, council, commission, or group established by the

1 legislature or a state agency to study water pollution control issues
2 in the state.

3 Except where necessary to address a public health need or
4 substantial environmental degradation, a county, city, or town that is
5 required or chooses to plan under RCW 36.70A.040 may not receive a
6 grant or loan for water pollution control facilities unless it has
7 adopted a comprehensive plan in conformance with the requirements of
8 chapter 36.70A RCW, after it is required that the comprehensive plan be
9 adopted, or unless it has adopted development regulations in
10 conformance with the requirements of chapter 36.70A RCW, after it is
11 required that development regulations be adopted; and, if the applicant
12 county or city is subject to section 5 of this act, it is in compliance
13 with section 5 of this act.

14 **Sec. 12.** RCW 84.14.010 and 1997 c 429 s 40 are each amended to
15 read as follows:

16 Unless the context clearly requires otherwise, the definitions in
17 this section apply throughout this chapter.

18 (1) "City" means either:

19 (a) A city or town with a population of at least one hundred
20 thousand ((or))i

21 (b) The largest city or town, if there is no city or town with a
22 population of at least one hundred thousand, located in a county
23 planning under the growth management act; or

24 (c) Any city or town subject to and in compliance with section 5 of
25 this act.

26 (2) "Governing authority" means the local legislative authority of
27 a city having jurisdiction over the property for which an exemption may
28 be applied for under this chapter.

29 (3) "Growth management act" means chapter 36.70A RCW.

30 (4) "Multiple-unit housing" means a building having four or more
31 dwelling units not designed or used as transient accommodations and not
32 including hotels and motels. Multifamily units may result from new
33 construction or rehabilitated or conversion of vacant, underutilized,
34 or substandard buildings to multifamily housing.

35 (5) "Owner" means the property owner of record.

36 (6) "Permanent residential occupancy" means multiunit housing that
37 provides either rental or owner occupancy on a nontransient basis.
38 This includes owner-occupied or rental accommodation that is leased for

1 a period of at least one month. This excludes hotels and motels that
2 predominately offer rental accommodation on a daily or weekly basis.

3 (7) "Rehabilitation improvements" means modifications to existing
4 structures, that are vacant for twelve months or longer, that are made
5 to achieve a condition of substantial compliance with existing building
6 codes or modification to existing occupied structures which increase
7 the number of multifamily housing units.

8 (8) "Residential targeted area" means an area within an urban
9 center that has been designated by the governing authority as a
10 residential targeted area in accordance with this chapter.

11 (9) "Substantial compliance" means compliance with local building
12 or housing code requirements that are typically required for
13 rehabilitation as opposed to new construction.

14 (10) "Urban center" means a compact identifiable district where
15 urban residents may obtain a variety of products and services. An
16 urban center must contain:

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

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

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

--- END ---