

2 **SHB 2357** - S COMM AMD

3 By Committee on Economic Development & Telecommunications

4 ADOPTED AS AMENDED 03/06/02

5 Strike everything after the enacting clause and insert the  
6 following:

7 "Sec. 1. RCW 35.81.010 and 1991 c 363 s 41 are each amended to  
8 read as follows:

9 The following terms wherever used or referred to in this chapter,  
10 shall have the following meanings, unless a different meaning is  
11 clearly indicated by the context:

12 (1) "Agency" or "~~((urban))~~ community renewal agency" ~~((shall))~~  
13 means a public agency created ~~((by))~~ under RCW 35.81.160 or otherwise  
14 authorized to serve as a community renewal agency under this chapter.

15 (2) "Blighted area" ~~((shall))~~ means an area which, by reason of the  
16 substantial physical dilapidation, deterioration, defective  
17 construction, material, and arrangement and/or age or obsolescence of  
18 buildings or improvements, whether residential or nonresidential,  
19 inadequate provision for ventilation, light, proper sanitary  
20 facilities, or open spaces as determined by competent appraisers on the  
21 basis of an examination of the building standards of the municipality;  
22 inappropriate ~~((or mixed))~~ uses of land or buildings; ~~((high density of~~  
23 ~~population and))~~ existence of overcrowding of buildings or structures;  
24 defective or inadequate street layout; faulty lot layout in relation to  
25 size, adequacy, accessibility or usefulness; excessive land coverage;  
26 insanitary or unsafe conditions; deterioration of site; existence of  
27 hazardous soils, substances, or materials; diversity of ownership; tax  
28 or special assessment delinquency exceeding the fair value of the land;  
29 defective or unusual conditions of title; improper subdivision or  
30 obsolete platting; existence of persistent and high levels of  
31 unemployment or poverty within the area; or the existence of conditions  
32 ~~((which))~~ that endanger life or property by fire or other causes, or  
33 any combination of such factors, is conducive to ill health,  
34 transmission of disease, infant mortality, juvenile delinquency ~~((and))~~  
35 or crime; substantially impairs or arrests the sound growth of the  
36 ~~((city))~~ municipality or its environs, or retards the provision of

1 housing accommodations ~~((or))~~; constitutes an economic or social  
2 liability~~((or))~~; and/or is detrimental, or constitutes a menace, to the  
3 public health, safety, welfare, ~~((and))~~ or morals in its present  
4 condition and use.

5 (3) "Bonds" ~~((shall))~~ means any bonds, notes, or debentures  
6 (including refunding obligations) herein authorized to be issued.

7 (4) "Clerk" ~~((shall))~~ means the clerk or other official of the  
8 municipality who is the custodian of the official records of such  
9 municipality.

10 (5) "Community renewal area" means a blighted area which the local  
11 governing body designates as appropriate for a community renewal  
12 project or projects.

13 (6) "Community renewal plan" means a plan, as it exists from time  
14 to time, for a community renewal project or projects, which plan (a)  
15 shall be consistent with the comprehensive plan or parts thereof for  
16 the municipality as a whole; (b) shall be sufficiently complete to  
17 indicate such land acquisition, demolition, and removal of structures,  
18 redevelopment, improvements, and rehabilitation as may be proposed to  
19 be carried out in the community renewal area; zoning and planning  
20 changes, if any, which may include, among other things, changes related  
21 to land uses, densities, and building requirements; and the plan's  
22 relationship to definite local objectives respecting appropriate land  
23 uses, improved traffic, public transportation, public utilities,  
24 recreational and community facilities, and other public improvements;  
25 (c) shall address the need for replacement housing, within the  
26 municipality, where existing housing is lost as a result of the  
27 community renewal project undertaken by the municipality under this  
28 chapter; and (d) may include a plan to address any persistent high  
29 levels of unemployment or poverty in the community renewal area.

30 (7) "Community renewal project" includes one or more undertakings  
31 or activities of a municipality in a community renewal area: (a) For  
32 the elimination and the prevention of the development or spread of  
33 blight; (b) for encouraging economic growth through job creation or  
34 retention; (c) for redevelopment or rehabilitation in a community  
35 renewal area; or (d) any combination or part thereof in accordance with  
36 a community renewal plan.

37 (8) "Federal government" ~~((shall include))~~ includes the United  
38 States of America or any agency or instrumentality, corporate or  
39 otherwise, of the United States of America.

1       (~~(6)~~) (9) "Local governing body" (~~(shall)~~) means the council or  
2 other legislative body charged with governing the municipality.

3       (~~(7)~~) (10) "Mayor" (~~(shall)~~) means the chief executive of a city  
4 or town, or the elected executive, if any, of any county operating  
5 under a charter, or the county legislative authority of any other  
6 county.

7       (~~(8)~~) (11) "Municipality" (~~(shall)~~) means any incorporated city  
8 or town, or any county, in the state.

9       (~~(9)~~) (12) "Obligee" (~~(shall include)~~) includes any bondholder,  
10 agent, or trustees for any bondholders, (~~(or)~~) any lessor demising to  
11 the municipality property used in connection with (~~(an urban)~~) a  
12 community renewal project, or any assignee or assignees of such  
13 lessor's interest or any part thereof, and the federal government when  
14 it is a party to any contract with the municipality.

15       (~~(10)~~) (13) "Person" (~~(shall)~~) means any individual, firm,  
16 partnership, corporation, company, association, joint stock  
17 association, or school district; and shall include any trustee,  
18 receiver, assignee, or other person acting in a similar representative  
19 capacity.

20       (~~(11)~~) (14) "Persons of low income" means an individual with an  
21 annual income, at the time of hiring or at the time assistance is  
22 provided under this chapter, that does not exceed the higher of either:  
23 (a) Eighty percent of the statewide median family income, adjusted for  
24 family size; or (b) eighty percent of the median family income for the  
25 county or standard metropolitan statistical area, adjusted for family  
26 size, where the community renewal area is located.

27       (15) "Public body" (~~(shall)~~) means the state or any municipality,  
28 (~~(township,)~~) board, commission, district, or any other subdivision or  
29 public body of the state or of a municipality.

30       (~~(12)~~) (16) "Public officer" (~~(shall)~~) means any officer who is  
31 in charge of any department or branch of the government of the  
32 municipality relating to health, fire, building regulations, or to  
33 other activities concerning dwellings in the municipality.

34       (~~(13)~~) (17) "Real property" (~~(shall)~~) includes all lands,  
35 including improvements and fixtures thereon, and property of any nature  
36 appurtenant thereto, or used in connection therewith, and every estate,  
37 interest, right and use, legal or equitable, therein, including terms  
38 for years and liens by way of judgment, mortgage or otherwise.

1        ~~((14))~~ (18) "Redevelopment" ~~((may))~~ includes (a) acquisition of  
2 a blighted area or portion thereof; (b) demolition and removal of  
3 buildings and improvements; (c) installation, construction or  
4 reconstruction of streets, utilities, parks, playgrounds, and other  
5 improvements necessary for carrying out in the area the ~~((urban))~~  
6 community renewal provisions of this chapter in accordance with the  
7 ~~((urban))~~ community renewal plan~~((, and))~~; (d) making the land  
8 available for development or redevelopment by private enterprise or  
9 public ~~((agencies))~~ bodies (including sale, initial leasing, or  
10 retention by the municipality itself) at its fair value for uses in  
11 accordance with the ~~((urban))~~ community renewal plan; and (e) making  
12 loans or grants to a person or public body for the purpose of creating  
13 or retaining jobs, a substantial portion of which, as determined by the  
14 municipality, shall be for persons of low income.

15        ~~((15))~~ (19) "Rehabilitation" ~~((may))~~ includes the restoration and  
16 renewal of a blighted area or portion thereof, in accordance with ~~((an~~  
17 ~~urban))~~ a community renewal plan, by (a) carrying out plans for a  
18 program of voluntary or compulsory repair and rehabilitation of  
19 buildings or other improvements; (b) acquisition of real property and  
20 demolition or removal of buildings and improvements thereon where  
21 necessary to eliminate unhealthful, insanitary or unsafe conditions,  
22 lessen density, reduce traffic hazards, eliminate obsolete or other  
23 uses detrimental to the public welfare, or otherwise to remove or  
24 prevent the spread of blight or deterioration, or to provide land for  
25 needed public facilities; (c) installation, construction or  
26 reconstruction of streets, utilities, parks, playgrounds, and other  
27 improvements necessary for carrying out in the area the ~~((urban))~~  
28 community renewal provisions of this chapter; and (d) the disposition  
29 of any property acquired in such ~~((urban))~~ community renewal area  
30 ~~((including sale, initial leasing, or retention by the municipality~~  
31 ~~itself) at its fair value))~~ for uses in accordance with such ~~((urban))~~  
32 community renewal plan.

33        ~~((16) "Urban renewal area" means a blighted area which the local~~  
34 ~~governing body designates as appropriate for an urban renewal project~~  
35 ~~or projects.~~

36        ~~(17) "Urban renewal plan" means a plan, as it exists from time to~~  
37 ~~time, for an urban renewal project, which plan (a) shall conform to the~~  
38 ~~comprehensive plan or parts thereof for the municipality as a whole;~~  
39 ~~and (b) shall be sufficiently complete to indicate such land~~

1 acquisition, demolition, and removal of structures, redevelopment,  
2 improvements, and rehabilitation as may be proposed to be carried out  
3 in the urban renewal area, zoning and planning changes, if any, land  
4 uses, maximum densities, building requirements, and the plan's  
5 relationship to definite local objectives respecting appropriate land  
6 uses, improved traffic, public transportation, public utilities,  
7 recreational and community facilities, and other public improvements.

8 (18) "Urban renewal project" may include undertakings or activities  
9 of a municipality in an urban renewal area for the elimination and for  
10 the prevention of the development or spread of blight, and may involve  
11 redevelopment in an urban renewal area, or rehabilitation in an urban  
12 renewal area, or any combination or part thereof in accordance with an  
13 urban renewal plan.))

14 **Sec. 2.** RCW 35.81.020 and 1965 c 7 s 35.81.020 are each amended to  
15 read as follows:

16 It is hereby found and declared that blighted areas which  
17 constitute a serious and growing menace, injurious to the public  
18 health, safety, morals and welfare of the residents of the state exist  
19 in municipalities of the state; that the existence of such areas  
20 contributes substantially and increasingly to the spread of disease and  
21 crime and depreciation of property values, constitutes an economic and  
22 social liability, substantially impairs or arrests the sound growth of  
23 municipalities, retards the provision of housing accommodations,  
24 hinders job creation and economic growth, aggravates traffic problems  
25 and substantially impairs or arrests the elimination of traffic hazards  
26 and the improvement of traffic facilities; and that the prevention and  
27 elimination of such areas is a matter of state policy and state concern  
28 in order that the state and its municipalities shall not continue to be  
29 endangered by areas which are focal centers of disease, promote  
30 juvenile delinquency, are conducive to fires, are difficult to police  
31 and to provide police protection for, and, while contributing little to  
32 the tax income of the state and its municipalities, consume an  
33 excessive proportion of its revenues because of the extra services  
34 required for police, fire, accident, hospitalization and other forms of  
35 public protection, services, and facilities.

36 It is further found and declared that certain of such areas, or  
37 portions thereof, may require acquisition, clearance, and disposition  
38 subject to use restrictions, as provided in this chapter, since the

1 prevailing condition of decay may make impracticable the reclamation of  
2 the area by rehabilitation; that other areas or portions thereof may,  
3 through the means provided in this chapter, be susceptible of  
4 rehabilitation in such a manner that the conditions and evils  
5 hereinbefore enumerated may be eliminated, remedied or prevented; and  
6 that to the extent feasible salvable blighted areas should be  
7 rehabilitated through voluntary action and the regulatory process.

8 It is further found and declared that there is an urgent need to  
9 enhance the ability of municipalities to act effectively and  
10 expeditiously to revive blighted areas and to prevent further blight  
11 due to shocks to the economy of the state and their actual and  
12 threatened effects on unemployment, poverty, and the availability of  
13 private capital for businesses and projects in the area.

14 It is further found and declared that the powers conferred by this  
15 chapter are for public uses and purposes for which public money may be  
16 expended and the power of eminent domain exercised; and that the  
17 necessity in the public interest for the provisions herein enacted is  
18 hereby declared as a matter of legislative determination.

19 **Sec. 3.** RCW 35.81.030 and 1965 c 7 s 35.81.030 are each amended to  
20 read as follows:

21 A municipality, to the greatest extent it determines to be feasible  
22 in carrying out the provisions of this chapter, shall afford maximum  
23 opportunity, consistent with the ((sound)) needs of the municipality as  
24 a whole, to the rehabilitation or redevelopment of the ((urban))  
25 community renewal area by private enterprise. A municipality shall  
26 give consideration to this objective in exercising its powers under  
27 this chapter, including the formulation of a workable program, the  
28 approval of ((urban)) community renewal plans (consistent with the  
29 comprehensive plan or parts thereof for the municipality), the exercise  
30 of its zoning powers, the enforcement of other laws, codes and  
31 regulations relating to the use of land and the use and occupancy of  
32 buildings and improvements, the disposition of any property acquired,  
33 and the provision of necessary public improvements.

34 **Sec. 4.** RCW 35.81.040 and 1965 c 7 s 35.81.040 are each amended to  
35 read as follows:

36 A municipality for the purposes of this chapter may formulate a  
37 workable program for ((utilizing)) using appropriate private and public

1 resources to eliminate, and prevent the development or spread of,  
2 blighted areas, to encourage needed ((urban)) community rehabilitation,  
3 to provide for the redevelopment of such areas, or to undertake ((such  
4 of)) the ((aforesaid)) activities, or other feasible municipal  
5 activities as may be suitably employed to achieve the objectives of  
6 ((such)) the workable program. ((Such)) The workable program may  
7 include, without limitation, provision for: The prevention of the  
8 spread of blight into areas of the municipality which are free from  
9 blight through diligent enforcement of housing, zoning, and occupancy  
10 controls and standards; the rehabilitation of blighted areas or  
11 portions thereof by replanning, removing congestion, providing parks,  
12 playgrounds and other public improvements, by encouraging voluntary  
13 rehabilitation and by compelling the repair and rehabilitation of  
14 deteriorated or deteriorating structures; ((and)) the replacement of  
15 housing that is lost as a result of community renewal activities within  
16 a community renewal area; the clearance and redevelopment of blighted  
17 areas or portions thereof; and the reduction of unemployment and  
18 poverty within the community renewal area by providing financial or  
19 technical assistance to a person or public body that is used to create  
20 or retain jobs, a substantial portion of which, as determined by the  
21 municipality, shall be for persons of low income.

22 **Sec. 5.** RCW 35.81.050 and 1965 c 7 s 35.81.050 are each amended to  
23 read as follows:

24 (1) No municipality shall exercise any of the powers hereafter  
25 conferred upon municipalities by this chapter until after its local  
26 governing body shall have adopted ((a)) an ordinance or resolution  
27 finding that: ((+1)) (a) One or more blighted areas exist in such  
28 municipality; and ((+2)) (b) the rehabilitation, redevelopment, or a  
29 combination thereof, of such area or areas is necessary in the interest  
30 of the public health, safety, morals, or welfare of the residents of  
31 such municipality.

32 (2) After adoption of the ordinance or resolution making the  
33 findings described in subsection (1) of this section, the local  
34 governing body of the municipality may elect to have the powers of a  
35 community renewal agency under this chapter exercised in one of the  
36 following ways:

37 (a) By appointing a board or commission composed of not less than  
38 five members, which board or commission shall include municipal

1 officials and elected officials, selected by the mayor, with approval  
2 of the local governing body of the municipality; or

3 (b) By the local governing body of the municipality directly; or

4 (c) By the board of a public corporation, commission, or authority  
5 under chapter 35.21 RCW, or a public facilities district created under  
6 chapter 35.57 or 36.100 RCW, or a public port district created under  
7 chapter 53.04 RCW, or a housing authority created under chapter 35.82  
8 RCW, that is authorized to conduct activities as a community renewal  
9 agency under this chapter.

10 **Sec. 6.** RCW 35.81.060 and 1965 c 7 s 35.81.060 are each amended to  
11 read as follows:

12 (1) A municipality shall not approve ~~((an urban))~~ a community  
13 renewal project for ((an urban)) a community renewal area unless the  
14 local governing body has, by ordinance or resolution, determined such  
15 an area to be a blighted area and designated ((such)) the area as  
16 appropriate for ((an urban)) a community renewal project. The local  
17 governing body shall not approve ((an urban)) a community renewal plan  
18 until a comprehensive plan or parts of ((such)) the plan for an area  
19 which would include ((an urban)) a community renewal area for the  
20 municipality have been prepared as provided in chapter ((35.63 RCW.  
21 For this purpose and other municipal purposes, authority is hereby  
22 vested in every municipality to prepare, to adopt, and to revise from  
23 time to time, a comprehensive plan or parts thereof for the physical  
24 development of the municipality as a whole (giving due regard to the  
25 environs and metropolitan surroundings), to establish and maintain a  
26 planning commission for such purpose and related municipal planning  
27 activities, and to make available and to appropriate necessary funds  
28 therefor)) 36.70A RCW. For municipalities not subject to the planning  
29 requirements of chapter 36.70A RCW, any proposed comprehensive plan  
30 must be consistent with a local comprehensive plan adopted under  
31 chapter 35.63 or 36.70 RCW, or any other applicable law. A  
32 municipality shall not acquire real property for ((an urban)) a  
33 community renewal project unless the local governing body has approved  
34 the ((urban)) community renewal project plan in accordance with  
35 subsection (4) ((hereof)) of this section.

36 (2) The municipality may itself prepare or cause to be prepared  
37 ~~((an urban))~~ a community renewal plan, or any person or agency, public  
38 or private, may submit such a plan to the municipality. Prior to its



1 approval of ~~((an urban))~~ a community renewal project, the local  
2 governing body shall ~~((submit such plan to the planning commission of  
3 the municipality for review and recommendations as to its conformity))~~  
4 review and determine the conformity of the community renewal plan with  
5 the comprehensive plan or parts thereof for the development of the  
6 municipality as a whole. ~~((The planning commission shall submit its  
7 written recommendations with respect to the proposed urban renewal plan  
8 to the local governing body within sixty days after receipt of it.  
9 Upon receipt of the recommendations of the planning commission, or if  
10 no recommendations are received within sixty days, then without such  
11 recommendations, the local governing body may proceed with the hearing  
12 on the proposed urban renewal project plan prescribed by subsection (3)  
13 hereof))~~ If the community renewal plan is not consistent with the  
14 existing comprehensive plan, the local governing body may amend its  
15 comprehensive plan or community renewal plan.

16 (3) Prior to adoption, the local governing body shall hold a public  
17 hearing on ~~((an urban))~~ a community renewal plan after providing public  
18 notice ~~((thereof))~~. ~~((Such))~~ The notice shall be given by publication  
19 once each week for two consecutive weeks not less than ten nor more  
20 than thirty days prior to the date of the hearing in a newspaper having  
21 a general circulation in the ~~((urban))~~ community renewal area of the  
22 municipality and by mailing a notice of ~~((such))~~ the hearing not less  
23 than ten days prior to the date of the hearing to the persons whose  
24 names appear on the county treasurer's tax roll as the owner or reputed  
25 owner of the property, at the address shown on the tax roll. The  
26 notice shall describe the time, date, place, and purpose of the  
27 hearing, shall generally identify the ~~((urban))~~ community renewal area  
28 affected, and shall outline the general scope of the ~~((urban))~~  
29 community renewal plan under consideration.

30 (4) Following ~~((such))~~ the hearing, the local governing body may  
31 approve ~~((an urban))~~ a community renewal project if it finds that (a)  
32 a ~~((workable and))~~ feasible plan exists for making available adequate  
33 housing for the ~~((persons))~~ residents who may be displaced by the  
34 project; (b) the ~~((urban))~~ community renewal plan conforms to the  
35 comprehensive plan ~~((or parts thereof))~~ for the municipality ~~((as a~~  
36 ~~whole))~~; (c) the ~~((urban))~~ community renewal plan will afford maximum  
37 opportunity, consistent with the ~~((sound))~~ needs of the municipality  
38 ~~((as a whole))~~, for the rehabilitation or redevelopment of the  
39 ~~((urban))~~ community renewal area by private enterprise; ~~((and))~~ (d) a

1 sound and adequate financial program exists for the financing of  
2 ~~((said))~~ the project; and (e) the ~~((urban))~~ community renewal project  
3 area is a blighted area as defined in RCW 35.81.010(2) (as recodified  
4 by this act).

5 (5) ~~((An urban))~~ A community renewal project plan may be modified  
6 at any time by the local governing body~~((: PROVIDED, That))~~. However,  
7 if modified after the lease or sale by the municipality of real  
8 property in the ~~((urban)) community renewal project area,~~ ~~((such))~~ the  
9 modification shall be subject to ~~((such))~~ the rights at law or in  
10 equity as a lessee or purchaser, or ~~((his))~~ the successor or successors  
11 in interest may be entitled to assert.

12 (6) ~~((Upon the approval of an urban renewal project by a~~  
13 ~~municipality, the provisions of the urban renewal plan with respect to~~  
14 ~~the future use and building requirements applicable to the property~~  
15 ~~covered by said plan shall be controlling with respect thereto))~~ Unless  
16 otherwise expressly stated in an ordinance or resolution of the  
17 governing body of the municipality, a community renewal plan shall not  
18 be considered a subarea plan or part of a comprehensive plan for  
19 purposes of chapter 36.70A RCW. However, a municipality that has  
20 adopted a comprehensive plan under chapter 36.70A RCW may adopt all or  
21 part of a community renewal plan at any time as a new or amended  
22 subarea plan, whether or not any subarea plan has previously been  
23 adopted for all or part of the community renewal area. Any community  
24 renewal plan so adopted, unless otherwise determined by the growth  
25 management hearings board with jurisdiction under a timely appeal in  
26 RCW 36.70A.280, shall be conclusively presumed to comply with the  
27 requirements in this chapter for consistency with the comprehensive  
28 plan.

29 **Sec. 7.** RCW 35.81.070 and 1965 c 7 s 35.81.070 are each amended to  
30 read as follows:

31 Every municipality shall have all the powers necessary or  
32 convenient to carry out and effectuate the purposes and provisions of  
33 this chapter, including the following powers in addition to others  
34 ~~((herein))~~ granted under this chapter:

35 (1) To undertake and carry out ~~((urban))~~ community renewal projects  
36 within the municipality, to make and execute contracts and other  
37 instruments necessary or convenient to the exercise of its powers under

1 this chapter, and to disseminate blight clearance and ((urban))  
2 community renewal information.

3 (2) To provide or to arrange or contract for the furnishing or  
4 repair by any person or agency, public or private, of services,  
5 privileges, works, streets, roads, public utilities or other facilities  
6 for, or in connection with, ((an urban)) a community renewal project;  
7 to install, construct, and reconstruct streets, utilities, parks,  
8 playgrounds, and other public improvements; and to agree to any  
9 conditions that it may deem reasonable and appropriate attached to  
10 federal financial assistance and imposed pursuant to federal law  
11 relating to the determination of prevailing salaries or wages or  
12 compliance with labor standards, in the undertaking or carrying out of  
13 ((an urban)) a community renewal project, and to include in any  
14 contract let in connection with such a project, provisions to fulfill  
15 such of said conditions as it may deem reasonable and appropriate.

16 (3) To provide financial or technical assistance, using available  
17 public or private funds, to a person or public body for the purpose of  
18 creating or retaining jobs, a substantial portion of which, as  
19 determined by the municipality, shall be for persons of low income.

20 (4) To make payments, loans, or grants to, provide assistance to,  
21 and contract with existing or new owners and tenants of property in the  
22 community renewal areas as compensation for any adverse impacts, such  
23 as relocation or interruption of business, that may be caused by the  
24 implementation of a community renewal project, and/or consideration for  
25 commitments to develop, expand, or retain land uses that contribute to  
26 the success of the project or plan, including without limitation  
27 businesses that will create or retain jobs, a substantial portion of  
28 which, as determined by the municipality, shall be for persons of low  
29 income.

30 (5) To contract with a person or public body to provide financial  
31 assistance, authorized under this section, to property owners and  
32 tenants impacted by the implementation of the community renewal plan  
33 and to provide incentives to property owners and tenants to encourage  
34 them to locate in the community renewal area after adoption of the  
35 community renewal plan.

36 (6) Within the municipality, to enter upon any building or property  
37 in any ((urban)) community renewal area, in order to make surveys and  
38 appraisals, provided that such entries shall be made in such a manner  
39 as to cause the least possible inconvenience to the persons in

1 possession, and to obtain an order for this purpose from a court of  
2 competent jurisdiction in the event entry is denied or resisted; to  
3 acquire by purchase, lease, option, gift, grant, bequest, devise,  
4 eminent domain, or otherwise, any real property and such personal  
5 property as may be necessary for the administration of the provisions  
6 herein contained, together with any improvements thereon; to hold,  
7 improve, clear, or prepare for redevelopment any such property; to  
8 dispose of any real property; to insure or provide for the insurance of  
9 any real or personal property or operations of the municipality against  
10 any risks or hazards, including the power to pay premiums on any such  
11 insurance: PROVIDED, That no statutory provision with respect to the  
12 acquisition, clearance, or disposition of property by public bodies  
13 shall restrict a municipality in the exercise of such functions with  
14 respect to ((an urban)) a community renewal project.

15 ((+4)) (7) To invest any ((urban)) community renewal project funds  
16 held in reserves or sinking funds or any such funds which are not  
17 required for immediate disbursement, in property or securities in which  
18 mutual savings banks may legally invest funds subject to their control;  
19 to redeem such bonds as have been issued pursuant to RCW 35.81.100 at  
20 the redemption price established therein or to purchase such bonds at  
21 less than redemption price, all such bonds so redeemed or purchased to  
22 be canceled.

23 ((+5)) (8) To borrow money and to apply for, and accept, advances,  
24 loans, grants, contributions and any other form of financial assistance  
25 from the federal government, the state, county, or other public body,  
26 or from any sources, public or private, for the purposes of this  
27 chapter, and to enter into and carry out contracts in connection  
28 therewith. A municipality may include in any application or contract  
29 for financial assistance with the federal government for ((an urban))  
30 a community renewal project such conditions imposed pursuant to federal  
31 laws as the municipality may deem reasonable and appropriate and which  
32 are not inconsistent with the purposes of this chapter.

33 ((+6)) (9) Within the municipality, to make or have made all plans  
34 necessary to the carrying out of the purposes of this chapter and to  
35 contract with any person, public or private, in making and carrying out  
36 such plans and to adopt or approve, modify, and amend such plans. Such  
37 plans may include, without limitation: (a) A comprehensive plan or  
38 parts thereof for the locality as a whole, (b) ((urban)) community  
39 renewal plans, (c) plans for carrying out a program of voluntary or

1 compulsory repair and rehabilitation of buildings and improvements, (d)  
2 plans for the enforcement of state and local laws, codes, and  
3 regulations relating to the use of land and the use and occupancy of  
4 buildings and improvements and to the compulsory repair,  
5 rehabilitation, demolition, or removal of buildings and improvements,  
6 ~~((and))~~ (e) appraisals, title searches, surveys, studies, and other  
7 preliminary plans and work necessary to prepare for the undertaking of  
8 ~~((urban))~~ community renewal projects, and (f) plans to provide  
9 financial or technical assistance to a person or public body for the  
10 purpose of creating or retaining jobs, a substantial portion of which,  
11 as determined by the municipality, shall be for persons of low income.  
12 The municipality is authorized to develop, test, and report methods and  
13 techniques, and carry out demonstrations and other activities, for the  
14 prevention and the elimination of ~~((urban))~~ blight, for job creation or  
15 retention activities, and to apply for, accept, and utilize grants of,  
16 funds from the federal government for such purposes.

17 ~~((+7))~~ (10) To prepare plans for the relocation of families  
18 displaced from ~~((an urban))~~ a community renewal area, and to coordinate  
19 public and private agencies in such relocation, including requesting  
20 such assistance for this purpose as is available from other private and  
21 governmental agencies, both for the municipality and other parties.

22 ~~((+8))~~ (11) To appropriate such funds and make such expenditures  
23 as may be necessary to carry out the purposes of this chapter, and in  
24 accordance with state law: (a) Levy taxes and assessments for such  
25 purposes; (b) acquire land either by negotiation ~~((and/or))~~ or eminent  
26 domain, or both; (c) close, vacate, plan, or replan streets, roads,  
27 sidewalks, ways, or other places; (d) plan or replan, zone or rezone  
28 any part of the municipality; (e) adopt annual budgets for the  
29 operation of ~~((an urban))~~ a community renewal agency, department, or  
30 offices vested with ~~((urban))~~ community renewal project powers under  
31 RCW 35.81.150; and (f) enter into agreements with such agencies or  
32 departments (which agreements may extend over any period) respecting  
33 action to be taken by such municipality pursuant to any of the powers  
34 granted by this chapter.

35 ~~((+9))~~ (12) Within the municipality, to organize, coordinate, and  
36 direct the administration of the provisions of this chapter as they  
37 apply to such municipality in order that the objective of remedying  
38 blighted areas and preventing the causes thereof within such  
39 municipality may be most effectively promoted and achieved, and to

1 establish such new office or offices of the municipality or to  
2 reorganize existing offices in order to carry out such purpose most  
3 effectively.

4 ~~((10))~~ (13) To contract with a person or public body to assist in  
5 carrying out the purposes of this chapter.

6 (14) To exercise all or any part or combination of powers herein  
7 granted.

8 **Sec. 8.** RCW 35.81.080 and 1965 c 7 s 35.81.080 are each amended to  
9 read as follows:

10 A municipality shall have the right to acquire by condemnation, in  
11 accordance with the procedure provided for condemnation by such  
12 municipality for other purposes, any interest in real property, which  
13 it may deem necessary for ~~((an urban))~~ a community renewal project  
14 under this chapter after the adoption by the local governing body of a  
15 resolution declaring that the acquisition of the real property  
16 described therein is necessary for such purpose. Condemnation for  
17 ~~((urban))~~ community renewal of blighted areas is declared to be a  
18 public use, and property already devoted to any other public use or  
19 acquired by the owner or ~~((his))~~ a predecessor in interest by eminent  
20 domain may be condemned for the purposes of this chapter.

21 The award of compensation for real property taken for such a  
22 project shall not be increased by reason of any increase in the value  
23 of the real property caused by the assembly, clearance, or  
24 reconstruction, or proposed assembly, clearance, or reconstruction in  
25 the project area. No allowance shall be made for the improvements  
26 begun on real property after notice to the owner of such property of  
27 the institution of proceedings to condemn such property. Evidence  
28 shall be admissible bearing upon the insanitary, unsafe, or substandard  
29 condition of the premises, or the unlawful use thereof.

30 **Sec. 9.** RCW 35.81.090 and 1965 c 7 s 35.81.090 are each amended to  
31 read as follows:

32 (1) A municipality, with approval of its legislative authority, may  
33 acquire real property, or any interest therein, for the purposes of a  
34 community renewal project (a) prior to the selection of one or more  
35 persons interested in undertaking to redevelop or rehabilitate the real  
36 property, or (b) after the selection of one or more persons interested  
37 in undertaking to redevelop or rehabilitate such real property. In

1 either case the municipality may select a redeveloper through a  
2 competitive bidding process consistent with this section or through a  
3 process consistent with section 10 of this act.

4 (2) A municipality, with approval of its legislative authority, may  
5 sell, lease, or otherwise transfer real property or any interest  
6 therein acquired by it for ((an urban)) a community renewal project, in  
7 ((an urban)) a community renewal area for residential, recreational,  
8 commercial, industrial, or other uses or for public use, and may enter  
9 into contracts with respect thereto, or may retain such a property or  
10 interest only for parks and recreation, education, public utilities,  
11 public transportation, public safety, health, highways, streets, and  
12 alleys, administrative buildings, or civic centers, in accordance with  
13 the ((urban)) community renewal project plan, subject to such  
14 covenants, conditions, and restrictions, including covenants running  
15 with the land, as it may deem to be necessary or desirable to assist in  
16 preventing the development or spread of blighted areas or otherwise to  
17 carry out the purposes of this chapter( (:—PROVIDED, That)). However,  
18 such a sale, lease, other transfer, or retention, and any agreement  
19 relating thereto, may be made only after the approval of the ((urban))  
20 community renewal plan by the local governing body. The purchasers or  
21 lessees and their successors and assigns shall be obligated to devote  
22 ((such)) the real property only to the uses specified in the ((urban))  
23 community renewal plan, and may be obligated to comply with ((such))  
24 any other requirements as the municipality may determine to be in the  
25 public interest, including the obligation to begin and complete, within  
26 a reasonable time, any improvements on ((such)) the real property  
27 required by the ((urban)) community renewal plan or promised by the  
28 transferee. ((Such)) The real property or interest shall be sold,  
29 leased, or otherwise transferred( (, or retained at not less than its  
30 fair value for uses in accordance with the urban renewal plan)) for the  
31 consideration the municipality determines adequate. In determining the  
32 ((fair value of real property for uses in accordance with the urban  
33 renewal plan)) adequacy of consideration, a municipality ((shall)) may  
34 take into account( (, and give consideration to,) the uses ((provided  
35 in such)) permitted under the community renewal plan; the restrictions  
36 upon, and the covenants, conditions, and obligations assumed by, the  
37 ((purchaser or lessee or by the municipality retaining the property))  
38 transferee; and the public benefits to be realized, including

1 furthering of the objectives of ((such)) the plan for the prevention of  
2 the recurrence of blighted areas.

3 (3) The municipality in any instrument of conveyance to a private  
4 purchaser or lessee may provide that ((such)) the purchaser or lessee  
5 shall be without power to sell, lease, or otherwise transfer the real  
6 property, or to permit changes in ownership or control of a purchaser  
7 or lessee that is not a natural person, in each case without the prior  
8 written consent of the municipality until ((he)) the purchaser or  
9 lessee has completed the construction of ((any and)) all improvements  
10 ((which he)) that it has obligated ((himself)) itself to construct  
11 thereon. The municipality may also retain the right, upon any earlier  
12 transfer or change in ownership or control without consent; or any  
13 failure or change in ownership or control without consent; or any  
14 failure to complete the improvements within the time agreed to  
15 terminate the transferee's interest in the property; or to retain or  
16 collect on any deposit or instrument provided as security, or both.  
17 The enforcement of these restrictions and remedies is declared to be  
18 consistent with the public policy of this state. Real property  
19 acquired by a municipality ((which)) that, in accordance with the  
20 provisions of the ((urban)) community renewal plan, is to be  
21 transferred, shall be transferred as rapidly as feasible, in the public  
22 interest, consistent with the carrying out of the provisions of the  
23 ((urban)) community renewal plan. The inclusion in any ((such))  
24 contract or conveyance to a purchaser or lessee of any ((such))  
25 covenants, restrictions, or conditions (including the incorporation by  
26 reference therein of the provisions of ((an urban)) a community renewal  
27 plan or any part thereof) shall not prevent the recording of such a  
28 contract or conveyance in the land records of the auditor or the county  
29 in which ((such)) the city or town is located, in ((such)) a manner  
30 ((as to)) that affords actual or constructive notice thereof.

31 ((+2)) (4)(a)(i) A municipality may dispose of real property in  
32 ((an urban)) a community renewal area, acquired by the municipality  
33 under this chapter, to any private persons only under ((such)) those  
34 reasonable competitive bidding procedures as it shall prescribe, or by  
35 competitive bidding as ((hereinafter)) provided in this subsection,  
36 through direct negotiation where authorized under (c) of this  
37 subsection, or by a process authorized in section 10 of this act.



1 (ii) A competitive bidding process may occur (A) prior to the  
2 purchase of the real property by the municipality, or (B) after the  
3 purchase of the real property by the municipality.

4 (b)(i) A municipality may, by public notice by publication once  
5 each week for three consecutive weeks in a newspaper having a general  
6 circulation in the community, prior to the execution of any contract or  
7 deed to sell, lease, or otherwise transfer real property and prior to  
8 the delivery of any instrument of conveyance with respect thereto under  
9 the provisions of this section, invite bids from, and make available  
10 all pertinent information to, private redevelopers or any persons  
11 interested in undertaking to redevelop or rehabilitate ((an urban)) a  
12 community renewal area, or any part thereof. ((Such)) This notice  
13 shall identify the area, or portion thereof, and shall state that  
14 ((such)) further information as is available may be obtained at  
15 ((such)) the office as shall be designated in ((said)) the notice.

16 (ii) The municipality shall consider all responsive redevelopment  
17 or rehabilitation bids and the financial and legal ability of the  
18 persons making ((such)) the bids to carry them out. The municipality  
19 may accept ((such)) the bids as it deems to be in the public interest  
20 and in furtherance of the purposes of this chapter. Thereafter, the  
21 municipality may execute, in accordance with the provisions of  
22 subsection ((+1)) (2) of this section, and deliver contracts, deeds,  
23 leases, and other instruments of transfer.

24 ((+3)) (c) If the legislative authority of the municipality  
25 determines that the sale of real property to a specific person is  
26 necessary to the success of a neighborhood revitalization or community  
27 renewal project for which the municipality is providing assistance to  
28 a nonprofit organization from federal community development block grant  
29 funds under 42 U.S.C. Sec. 5305(a)(15), or successor provision, under  
30 a plan or grant application approved by the United States department of  
31 housing and urban development, or successor agency, then the  
32 municipality may sell or lease that property to that person through  
33 direct negotiation, for consideration determined by the municipality to  
34 be adequate consistent with subsection (2) of this section. This  
35 direct negotiation may occur, and the municipality may enter into an  
36 agreement for sale or lease, either before or after the acquisition of  
37 the property by the municipality. Unless the municipality has provided  
38 notice to the public of the intent to sell or lease the property by  
39 direct negotiation, as part of a citizen participation process adopted

1 under federal regulations for the plan or grant application under which  
2 the federal community development block grant funds have been awarded,  
3 the municipality shall publish notice of the sale at least fifteen days  
4 prior to the conveyance of the property.

5 (5) A municipality may operate and maintain real property acquired  
6 in ~~((an urban))~~ a community renewal area for a period of three years  
7 pending the disposition of the property for redevelopment, without  
8 regard to the provisions of subsection ~~((1) above)~~ (2) of this  
9 section, for such uses and purposes as may be deemed desirable even  
10 though not in conformity with the ~~((urban))~~ community renewal plan(~~(÷~~  
11 ~~PROVIDED, That)~~). However, the municipality may, after a public  
12 hearing, extend the time for a period not to exceed three years.

13 (6) Any covenants, restrictions, promises, undertakings, releases,  
14 or waivers in favor of a municipality contained in any deed or other  
15 instrument accepted by any transferee of property from the municipality  
16 or community renewal agency under this chapter, or contained in any  
17 document executed by any owner of property in a community renewal area,  
18 shall run with the land to the extent provided in the deed, instrument,  
19 or other document, so as to bind, and be enforceable by the  
20 municipality against, the person accepting or making the deed,  
21 instrument, or other document and that person's heirs, successors in  
22 interest, or assigns having actual or constructive notice thereof.

23 NEW SECTION. Sec. 10. A new section is added to chapter 35.81 RCW  
24 to read as follows:

25 (1) The process authorized under this section may occur (a) prior  
26 to the purchase of the real property by the municipality, or (b) after  
27 the purchase of the real property by the municipality.

28 (2) A municipality may, by public notice once each week for three  
29 consecutive weeks in a legal newspaper in the municipality, or prior to  
30 the execution of any contract or deed to sell, lease, or otherwise  
31 transfer real property and prior to the delivery of any instrument of  
32 conveyance with respect thereto under the provisions of this section,  
33 invite statements of interest and qualifications and, at the  
34 municipality's option, proposals from any persons interested in  
35 undertaking to redevelop or rehabilitate the real property.

36 (3) The notice required under this section shall identify the area,  
37 or portion thereof, the process the municipality will use to evaluate  
38 qualifications and, if applicable, proposals submitted by redevelopers

1 or any persons, and other information relevant to the community renewal  
2 project. The notice shall also state that further information, as is  
3 available, may be obtained at the offices designated in the notice.

4 (4)(a) Based on its evaluation of qualifications and, if  
5 applicable, proposals, the municipality may select a proposer with whom  
6 to negotiate or may select two or more finalists to submit proposals,  
7 or to submit more detailed or revised proposals. The municipality may,  
8 in its sole discretion, reject all responses or proposals, amend any  
9 solicitation to allow modification or supplementation of qualifications  
10 or proposals, or waive irregularities in the content or timing of any  
11 qualifications or proposals.

12 (b) The municipality may initiate negotiations with the person  
13 selected on the basis of qualifications or proposals. If the  
14 municipality does not enter into a contract with that person, it may  
15 (i) enter into negotiations with the person that submitted the next  
16 highest ranked qualifications or proposal, (ii) solicit additional  
17 proposals using a process permitted by RCW 35.81.090, or (iii)  
18 otherwise dispose of or retain the real property consistent with the  
19 provisions of this chapter. A municipality shall not be required to  
20 select or enter into a contract with any proposer or to compensate any  
21 proposer for the cost of preparing a proposal or negotiating with the  
22 municipality.

23 (c) A municipality, with approval of its legislative authority, may  
24 select and enter into a contract with more than one proposer to carry  
25 out different aspects or parts of a community renewal plan.

26 **Sec. 11.** RCW 35.81.100 and 1983 c 167 s 64 are each amended to  
27 read as follows:

28 (1) A municipality shall have the power to issue bonds from time to  
29 time in its discretion to finance the undertaking of any (~~urban~~)  
30 community renewal project under this chapter, including, without  
31 limiting the generality (~~thereof~~) of this power, the payment of  
32 principal and interest upon any advances for surveys and plans for  
33 (~~urban~~) community renewal projects, and shall also have power to  
34 issue refunding bonds for the payment or retirement of such bonds  
35 previously issued by it. Such bonds shall not pledge the general  
36 credit of the municipality and shall be made payable, as to both  
37 principal and interest, solely from the income, proceeds, revenues, and  
38 funds of the municipality derived from, or held in connection with, its

1 undertaking and carrying out of ((urban)) community renewal projects  
2 under this chapter(~~(: PROVIDED, That)~~). However, the payment of such  
3 bonds, both as to principal and interest, may be further secured by a  
4 pledge of any loan, grant, or contribution from the municipality, the  
5 federal government, or from other sources, in aid of any ((urban))  
6 community renewal projects of the municipality under this chapter.

7 (2) Bonds issued under this section shall not constitute an  
8 indebtedness within the meaning of any constitutional or statutory debt  
9 limitation or restriction, and shall not be subject to the provisions  
10 of any other law or charter relating to the authorization, issuance, or  
11 sale of bonds. Bonds issued under the provisions of this chapter are  
12 declared to be issued for an essential public and governmental purpose,  
13 and together with interest thereon and income therefrom, shall be  
14 exempted from all taxes.

15 (3) Bonds issued under this section shall be authorized by  
16 resolution or ordinance of the local governing body and may be issued  
17 in one or more series and shall bear such date or dates, be payable  
18 upon demand or mature at such time or times, bear interest at such rate  
19 or rates, be in such denomination or denominations, be in such form  
20 either coupon or registered as provided in RCW 39.46.030, carry such  
21 conversion or registration privileges, have such rank or priority, be  
22 executed in such manner, be payable in such medium of payment, at such  
23 place or places, and be subject to such terms of redemption (with or  
24 without premium), be secured in such manner, and have such other  
25 characteristics, as may be provided by such resolution or trust  
26 indenture or mortgage issued pursuant thereto.

27 (4) Such bonds may be sold at not less than ninety-eight percent of  
28 par at public or private sale, or may be exchanged for other bonds on  
29 the basis of par: PROVIDED, That such bonds may be sold to the federal  
30 government at private sale at not less than par and, in the event less  
31 than all of the authorized principal amount of such bonds is sold to  
32 the federal government, the balance may be sold at public or private  
33 sale at not less than ninety-eight percent of par at an interest cost  
34 to the municipality of not to exceed the interest cost to the  
35 municipality of the portion of the bonds sold to the federal  
36 government.

37 (5)(a) The municipality may annually pay into a fund to be  
38 established for the benefit of such bonds any and all excess of the  
39 taxes received by it from the same property over and above the average

1 of the annual taxes authorized without vote for a five-year period  
2 immediately preceding the acquisition of the property by the  
3 municipality for renewal purposes, such payment to continue until such  
4 time as all bonds payable from the fund are paid in full. Any other  
5 taxing unit (~~((in a municipality))~~) that receives property tax revenues  
6 from property in the community renewal area is authorized to allocate  
7 (~~((a like amount of such))~~) excess taxes, computed in the same manner, to  
8 the municipality or municipalities in which it is situated.

9 (b) In addition to the excess property tax revenues from property  
10 in the community renewal area, authorized in this subsection, the  
11 municipality may annually pay into the fund, established in this  
12 subsection, any and all excess of the excise tax received by it from  
13 business activity in the community renewal area over and above the  
14 average of the annual excise tax collected for a five-year period  
15 immediately preceding the establishment of a community renewal area.  
16 The payment may continue until all the bonds payable from the fund are  
17 paid in full. Any other taxing unit that receives excise tax from  
18 business activity in the community renewal area is authorized to  
19 allocate excess excise tax, computed in the same manner, to the  
20 municipality or municipalities in which it is situated. As used in  
21 this subsection, "excise tax" means a local retail sales and use tax  
22 authorized in chapter 82.14 RCW. The legislature declares that it is  
23 a proper purpose of a municipality to allocate an excise tax for  
24 purposes of a community renewal project under this chapter.

25 (6) In case any of the public officials of the municipality whose  
26 signatures appear on any bonds or any coupons issued under this chapter  
27 shall cease to be such officials before the delivery of such bonds,  
28 such signatures shall, nevertheless, be valid and sufficient for all  
29 purposes, the same as if such officials had remained in office until  
30 such delivery. Any provision of any law to the contrary  
31 notwithstanding, any bonds, issued pursuant to this chapter shall be  
32 fully negotiable.

33 (7) In any suit, action, or proceeding involving the validity or  
34 enforceability of any bond issued under this chapter or the security  
35 therefor, any such bond reciting in substance that it has been issued  
36 by the municipality in connection with (~~((an urban))~~) a community renewal  
37 project, as herein defined, shall be conclusively deemed to have been  
38 issued for such purpose and such project shall be conclusively deemed

1 to have been planned, located, and carried out in accordance with the  
2 provisions of this chapter.

3 (8) Notwithstanding subsections (1) through (7) of this section,  
4 such bonds may be issued and sold in accordance with chapter 39.46 RCW.

5 **Sec. 12.** RCW 35.81.110 and 1965 c 7 s 35.81.110 are each amended  
6 to read as follows:

7 All banks, trust companies, bankers, savings banks and  
8 institutions, building and loan associations, savings and loan  
9 associations, investment companies, and other persons carrying on a  
10 banking or investment business, all insurance companies, insurance  
11 associations, and other persons carrying on an insurance business and  
12 all executors, administrators, curators, trustees, and other  
13 fiduciaries, may legally invest any sinking funds, moneys, or other  
14 funds belonging to them or within their control in any bonds or other  
15 obligations issued by a municipality (~~(pursuant to)~~) under this  
16 chapter(~~(: PROVIDED, That such bonds and other obligations shall be~~  
17 ~~secured by an agreement between the issuer and the federal government~~  
18 ~~in which the issuer agrees to borrow from the federal government and~~  
19 ~~the federal government agrees to lend to the issuer, prior to the~~  
20 ~~maturity of such bonds or other obligations, moneys in an amount which~~  
21 ~~(together with any other moneys irrevocably committed to the payment of~~  
22 ~~interest on such bonds or other obligations) will suffice to pay the~~  
23 ~~principal of such bonds or other obligations with interest to maturity~~  
24 ~~thereon, which moneys under the terms of said agreement are required to~~  
25 ~~be used for the purpose of paying the principal of, and the interest~~  
26 ~~on, such bonds or other obligations at their maturity)). Such bonds~~  
27 and other obligations shall be authorized security for all public  
28 deposits. It is the purpose of this section to authorize any persons,  
29 political subdivisions, and officers, public or private, to use any  
30 funds owned or controlled by them for the purchase of any such bonds or  
31 other obligations. Nothing contained in this section with regard to  
32 legal investments shall be construed as relieving any person of any  
33 duty of exercising reasonable care in selecting securities.

34 NEW SECTION. **Sec. 13.** A new section is added to chapter 35.81 RCW  
35 to read as follows:

36 (1) A community renewal agency may establish local improvement  
37 districts within the community renewal area, and levy special

1 assessments, in annual installments extending over a period not  
2 exceeding twenty years on all property specially benefited by the local  
3 improvement, on the basis of special benefits, to pay in whole or in  
4 part the damages or costs of the local improvement, and issue local  
5 improvement bonds to be paid from local improvement assessments. The  
6 formation of the local improvement districts, the determination, levy,  
7 and collection of such assessments, and the issuance of such bonds  
8 shall be as provided for the formation of local improvement districts,  
9 the determination, levy, and collection of local improvement  
10 assessments, and the issuance of local improvement bonds by cities and  
11 towns, insofar as consistent with this chapter. These bonds may be in  
12 any form, including bearer bonds or registered bonds as provided in RCW  
13 39.46.030.

14 (2) Notwithstanding subsection (1) of this section, the bonds  
15 authorized under subsection (1) of this section may be issued and sold  
16 in accordance with chapter 39.46 RCW.

17 NEW SECTION. **Sec. 14.** A new section is added to chapter 35.81 RCW  
18 to read as follows:

19 Any notice given to the public or to the owners of specific lots,  
20 tracts, or parcels of land relating to the formation of a local  
21 improvement district created under section 13 of this act shall contain  
22 a statement that actual assessments may vary from assessment estimates  
23 so long as they do not exceed a figure equal to the increased benefit  
24 the improvement adds to the property.

25 **Sec. 15.** RCW 35.81.120 and 1965 c 7 s 35.81.120 are each amended  
26 to read as follows:

27 (1) All property of a municipality, including funds, owned or held  
28 by it for the purposes of this chapter, shall be exempt from levy and  
29 sale by virtue of an execution, and no execution or other judicial  
30 process shall issue against the same nor shall judgment against a  
31 municipality be a charge or lien upon such property: PROVIDED, That  
32 the provisions of this section shall not apply to, or limit the right  
33 of, obligees to pursue any remedies for the enforcement of any pledge  
34 or lien given pursuant to this chapter by a municipality on its rents,  
35 fees, grants, or revenues from ((urban)) community renewal projects.

36 (2) The property of a municipality, acquired or held for the  
37 purposes of this chapter, is declared to be public property used for

1 essential public and governmental purposes and such property shall be  
2 exempt from all taxes of the municipality, the county, the state, or  
3 any political subdivision thereof: PROVIDED, That such tax exemption  
4 shall terminate when the municipality sells, leases, or otherwise  
5 disposes of such property in (~~(an urban)~~) a community renewal area to  
6 a purchaser or lessee (~~(which)~~) that is not a public body or other  
7 organization normally entitled to tax exemption with respect to such  
8 property.

9       **Sec. 16.** RCW 35.81.130 and 1965 c 7 s 35.81.130 are each amended  
10 to read as follows:

11       (~~(1)~~) For the purpose of aiding in the planning, undertaking, or  
12 carrying out of (~~(an urban)~~) a community renewal project located within  
13 the area in which it is authorized to act, any public body authorized  
14 by law or by this chapter, may, upon such terms, with or without  
15 consideration, as it may determine: (~~(a)~~) (1) Dedicate, sell,  
16 convey, or lease any of its interest in any property, or grant  
17 easements, licenses, or other rights or privileges therein to a  
18 municipality or other public body; (~~(b)~~) (2) incur the entire expense  
19 of any public improvements made by (~~(such)~~) a public body, in  
20 exercising the powers granted in this section; (~~(c)~~) (3) do any and  
21 all things necessary to aid or cooperate in the planning or carrying  
22 out of (~~(an urban)~~) a community renewal plan; (~~(d)~~) (4) lend, grant,  
23 or contribute funds, including without limitation any funds derived  
24 from bonds issued or other borrowings authorized in this chapter, to a  
25 municipality or other public body and, subject only to any applicable  
26 constitutional limits, to any other person; (~~(e)~~) (5) enter into  
27 agreements (which may extend over any period, notwithstanding any  
28 provision or rule of law to the contrary) with a municipality or other  
29 public body respecting action to be taken pursuant to any of the powers  
30 granted by this chapter, including the furnishing of funds or other  
31 assistance in connection with (~~(an urban)~~) a community renewal  
32 project(~~(, and (f))~~); (6) cause public building and public facilities,  
33 including parks, playgrounds, recreational, community, educational,  
34 water, sewer, or drainage facilities, or any other works (~~(which)~~) that  
35 it is otherwise empowered to undertake to be furnished; furnish,  
36 dedicate, close, vacate, pave, install, grade, regrade, plan, or replan  
37 streets, roads, sidewalks, ways, or other places; (7) abate  
38 environmental problems; (8) plan or replan, zone or rezone any part of



1 the ((urban)) community renewal area; and (9) provide such  
2 administrative and other services as may be deemed requisite to the  
3 efficient exercise of the powers herein granted.

4 ~~((2) Any sale, conveyance, lease, or agreement provided for in  
5 this section shall be made by a public body with appraisal, public  
6 notice, advertisement, or public bidding in accordance with the  
7 provisions of RCW 35.81.090(2).))~~

8 **Sec. 17.** RCW 35.81.150 and 1965 c 7 s 35.81.150 are each amended  
9 to read as follows:

10 (1) A municipality may itself exercise its ((urban)) community  
11 renewal project powers ~~((as herein defined))~~ or may, if the local  
12 governing body by ordinance or resolution determines such action to be  
13 in the public interest, elect to have such powers exercised by the  
14 ((urban)) community renewal agency ~~((created by RCW 35.81.160))~~ or a  
15 department or other officers of the municipality or by any ((existing))  
16 other public body ~~((corporate, as they are authorized to exercise under  
17 this chapter))~~.

18 (2) In the event the local governing body ~~((makes such  
19 determination))~~ determines to have the powers exercised by the  
20 community renewal agency, such body may authorize the ((urban))  
21 community renewal agency or department or other officers of the  
22 municipality to exercise any of the following ((urban)) community  
23 renewal project powers:

24 (a) To formulate and coordinate a workable program as specified in  
25 RCW 35.81.040.

26 (b) To prepare ((urban)) community renewal plans.

27 (c) To prepare recommended modifications to ((an urban)) a  
28 community renewal project plan.

29 (d) To undertake and carry out ((urban)) community renewal projects  
30 as required by the local governing body.

31 (e) To acquire, own, lease, encumber, and sell real or personal  
32 property. The agency may not acquire real or personal property using  
33 the eminent domain process, unless authorized independently of this  
34 chapter.

35 (f) To create local improvement districts under sections 13 and 14  
36 of this act.

37 (g) To issue bonds from time to time in its discretion to finance  
38 the undertaking of any community renewal project under this chapter.

1 The bonds issued under this section must meet the requirements of RCW  
2 35.81.100.

3 (h) To make and execute contracts as specified in RCW 35.81.070,  
4 with the exception of contracts for the purchase or sale of real or  
5 personal property.

6 ~~((f))~~ (i) To disseminate blight clearance and ~~((urban))~~ community  
7 renewal information.

8 ~~((g))~~ (j) To exercise the powers prescribed by RCW 35.81.070(2),  
9 except the power to agree to conditions for federal financial  
10 assistance and imposed pursuant to federal law relating to salaries and  
11 wages, shall be reserved to the local governing body.

12 ~~((h))~~ (k) To enter any building or property, in any ~~((urban))~~  
13 community renewal area, in order to make surveys and appraisals in the  
14 manner specified in RCW 35.81.070~~((3))~~ (6).

15 ~~((i))~~ (l) To improve, clear, or prepare for redevelopment any  
16 real or personal property in ~~((an urban))~~ a community renewal area.

17 ~~((j))~~ (m) To insure real or personal property as provided in RCW  
18 35.81.070~~((3))~~ (6).

19 ~~((k))~~ (n) To effectuate the plans provided for in RCW  
20 35.81.070~~((6))~~ (9).

21 ~~((l))~~ (o) To prepare plans for the relocation of families  
22 displaced from ~~((an urban))~~ a community renewal area and to coordinate  
23 public and private agencies in such relocation.

24 ~~((m))~~ (p) To prepare plans for carrying out a program of  
25 voluntary or compulsory repair and rehabilitation of buildings and  
26 improvements.

27 ~~((n))~~ (q) To conduct appraisals, title searches, surveys,  
28 studies, and other preliminary plans and work necessary to prepare for  
29 the undertaking of ~~((urban))~~ community renewal projects.

30 ~~((o))~~ (r) To negotiate for the acquisition of land.

31 ~~((p))~~ (s) To study the closing, vacating, planning, or replanning  
32 of streets, roads, sidewalks, ways, or other places and to make  
33 recommendations with respect thereto.

34 ~~((q))~~ (t) To provide financial and technical assistance to a  
35 person or public body, for the purpose of creating or retaining jobs,  
36 a substantial portion of which, as determined by the municipality,  
37 shall be for persons of low income.

1 (u) To make payments, grants, and other assistance to, or contract  
2 with, existing or new owners and tenants of property in the community  
3 renewal area, under RCW 35.81.070.

4 (v) To organize, coordinate, and direct the administration of the  
5 provisions of this chapter.

6 ~~((r))~~ (w) To perform such duties as the local governing body may  
7 direct so as to make the necessary arrangements for the exercise of the  
8 powers and the performance of the duties and responsibilities entrusted  
9 to the local governing body.

10 Any powers granted in this chapter that are not included in ~~((RCW~~  
11 ~~35.81.150(2))~~ this subsection (2) as powers of the ~~((urban))~~ community  
12 renewal agency or a department or other officers of a municipality in  
13 lieu thereof~~((r))~~ may only be exercised by the local governing body or  
14 other officers, boards, and commissions as provided ~~((under existing))~~  
15 by law.

16 **Sec. 18.** RCW 35.81.160 and 1965 c 7 s 35.81.160 are each amended  
17 to read as follows:

18 (1) When a municipality has made the finding prescribed in RCW  
19 35.81.050 and has elected to have the ~~((urban))~~ community renewal  
20 project powers, as specified in RCW 35.81.150, exercised, such  
21 ~~((urban))~~ community renewal project powers may be assigned to a  
22 department or other officers of the municipality or to any existing  
23 public body corporate, or the legislative body of a ~~((city))~~  
24 municipality may create ~~((an urban))~~ a community renewal agency in such  
25 municipality to be known as a public body corporate to which such  
26 powers may be assigned.

27 (2) If the ~~((urban))~~ community renewal agency is authorized to  
28 transact business and exercise powers ~~((hereunder))~~ under this chapter,  
29 the mayor, by and with the advice and consent of the local governing  
30 body, shall appoint a board of commissioners of the ~~((urban))~~ community  
31 renewal agency which shall consist of five commissioners. The initial  
32 membership shall consist of one commissioner appointed for one year,  
33 one for two years, one for three years, and two for four years; and  
34 each appointment thereafter shall be for four years, except that in the  
35 case of death, incapacity, removal, or resignation of a commissioner,  
36 the replacement may be appointed to serve the remainder of the  
37 commissioner's term.

1 (3) A commissioner shall receive no compensation for ~~((his))~~  
2 services but shall be entitled to the necessary expenses, including  
3 traveling expenses, incurred in the discharge of his or her duties.  
4 Each commissioner shall hold office until ~~((his))~~ a successor has been  
5 appointed and has qualified. A certificate of the appointment or  
6 reappointment of any commissioner shall be filed with the clerk of the  
7 municipality and such certificate shall be conclusive evidence of the  
8 due and proper appointment of such commissioner.

9 The powers and responsibilities of ~~((an urban))~~ a community renewal  
10 agency shall be exercised by the commissioners thereof. A majority of  
11 the commissioners shall constitute a quorum for the purpose of  
12 conducting business and exercising the powers and responsibilities of  
13 the agency and for all other purposes. Action may be taken by the  
14 agency upon a vote of a majority of the commissioners present, unless  
15 in any case the bylaws shall require a larger number. Any persons may  
16 be appointed as commissioners if they reside within the municipality.

17 The ~~((urban))~~ community renewal agency or department or officers  
18 exercising ~~((urban))~~ community renewal project powers shall be staffed  
19 with the necessary technical experts and such other agents and  
20 employees, permanent and temporary, as it may require. An agency  
21 authorized to transact business and exercise powers under this chapter  
22 shall file, with the local governing body, on or before March 31st of  
23 each year, a report of its activities for the preceding calendar year,  
24 which report shall include a complete financial statement setting forth  
25 its assets, liabilities, income, and operating expense as of the end of  
26 such calendar year. At the time of filing the report, the agency shall  
27 publish in a legal newspaper ~~((of general circulation))~~ in the  
28 community a notice to the effect that such report has been filed with  
29 the municipality and that the report is available for inspection during  
30 business hours in the office of the ~~((city))~~ clerk of the municipality  
31 and in the office of the agency.

32 (4) For inefficiency, neglect of duty, or misconduct in office, a  
33 commissioner may be removed by the legislative body of the  
34 municipality.

35 **Sec. 19.** RCW 35.81.170 and 1965 c 7 s 35.81.170 are each amended  
36 to read as follows:

1 For all of the purposes of this chapter, no person shall, because  
2 of race, creed, color, sex, or national origin, be subjected to any  
3 discrimination.

4 **Sec. 20.** RCW 35.81.180 and 1965 c 7 s 35.81.180 are each amended  
5 to read as follows:

6 No ~~((public))~~ official~~((,))~~ or department or division head of a  
7 municipality or ~~((urban))~~ community renewal agency or department or  
8 officers ~~((which have been vested by a municipality with urban))~~ with  
9 responsibility for making or supervising any decisions in the exercise  
10 of community renewal project powers and responsibilities under RCW  
11 35.81.150~~((,))~~ shall voluntarily acquire any interest, direct or  
12 indirect, in any ~~((urban))~~ community renewal project, or in any  
13 property included or planned to be included in any ~~((urban))~~ community  
14 renewal project of such municipality, or in any contract or proposed  
15 contract in connection with such ~~((urban))~~ community renewal project.  
16 ~~((Where))~~ Whether or not such an acquisition is ~~((not))~~ voluntary, the  
17 ~~((interest acquired))~~ person acquiring it shall ~~((be))~~ immediately  
18 ~~((disclosed))~~ disclose the interest acquired in writing to the local  
19 governing body and such disclosure shall be entered upon the minutes of  
20 the governing body. If any such official~~((,))~~ or department or  
21 division head owns or controls, or owned or controlled within two years  
22 prior to the date of the first public hearing on the ~~((urban))~~  
23 community renewal project, any interest, direct or indirect, in any  
24 property ~~((which))~~ that he or she knows is included in ~~((an urban))~~ a  
25 community renewal project, he or she shall immediately disclose this  
26 fact in writing to the local governing body, and such disclosure shall  
27 be entered upon the minutes of the governing body, and any such  
28 official~~((,))~~ or department or division head shall not participate in  
29 any action on that particular project by the municipality or ~~((urban))~~  
30 community renewal agency~~((, department, or officers which have been~~  
31 ~~vested with urban renewal project powers by the municipality pursuant~~  
32 ~~to the provisions of RCW 35.81.150. A majority of the commissioners of~~  
33 ~~an urban renewal agency exercising powers pursuant to this chapter~~  
34 ~~shall not hold any other public office under the municipality other~~  
35 ~~than their commissionership or office with respect to such urban~~  
36 ~~renewal agency, department, or officers)). Any willful violation of~~  
37 the provisions of this section shall constitute misconduct in office.

1       **Sec. 21.** RCW 35.81.910 and 1965 c 7 s 35.81.910 are each amended  
2 to read as follows:

3       This chapter shall be known and may be cited as the "~~((Urban))~~  
4 Community Renewal Law."

5       **Sec. 22.** RCW 35.82.070 and 1993 c 478 s 17 are each amended to  
6 read as follows:

7       An authority shall constitute a public body corporate and politic,  
8 exercising public and essential governmental functions, and having all  
9 the powers necessary or convenient to carry out and effectuate the  
10 purposes and provisions of this chapter, including the following powers  
11 in addition to others herein granted:

12       (1) To sue and be sued; to have a seal and to alter the same at  
13 pleasure; to have perpetual succession; to make and execute contracts  
14 and other instruments, including but not limited to partnership  
15 agreements and joint venture agreements, necessary or convenient to the  
16 exercise of the powers of the authority; to participate in the  
17 organization or the operation of a nonprofit corporation which has as  
18 one of its purposes to provide or assist in the provision of housing  
19 for persons of low income; and to make and from time to time amend and  
20 repeal bylaws, rules and regulations, not inconsistent with this  
21 chapter, to carry into effect the powers and purposes of the authority.

22       (2) Within its area of operation: To prepare, carry out, acquire,  
23 lease and operate housing projects; to provide for the construction,  
24 reconstruction, improvement, alteration or repair of any housing  
25 project or any part thereof; to agree to rent or sell dwellings forming  
26 part of the projects to or for persons of low income. Where an  
27 agreement or option is made to sell a dwelling to a person of low  
28 income, the authority may convey the dwelling to the person upon  
29 fulfillment of the agreement irrespective of whether the person is at  
30 the time of the conveyance a person of low income. Leases, options,  
31 agreements, or conveyances may include such covenants as the authority  
32 deems appropriate to assure the achievement of the objectives of this  
33 chapter.

34       (3) To acquire, lease, rent, sell, or otherwise dispose of any  
35 commercial space located in buildings or structures containing a  
36 housing project or projects.

37       (4) To arrange or contract for the furnishing by any person or  
38 agency, public or private, of services, privileges, works, or

1 facilities for, or in connection with, a housing project or the  
2 occupants thereof; and (notwithstanding anything to the contrary  
3 contained in this chapter or in any other provision of law) to include  
4 in any contract let in connection with a project, stipulations  
5 requiring that the contractor and any subcontractors comply with  
6 requirements as to minimum wages and maximum hours of labor, and comply  
7 with any conditions which the federal government may have attached to  
8 its financial aid of the project.

9 (5) To lease or rent any dwellings, houses, accommodations, lands,  
10 buildings, structures or facilities embraced in any housing project and  
11 (subject to the limitations contained in this chapter) to establish and  
12 revise the rents or charges therefor; to own or manage buildings  
13 containing a housing project or projects as well as commercial space or  
14 other dwelling units that do not constitute a housing project as that  
15 term is defined in this chapter(~~(:—PROVIDED,—That)~~). However,  
16 notwithstanding the provisions under subsection (1) of this section,  
17 dwelling units made available or sold to persons of low income,  
18 together with functionally related and subordinate facilities, shall  
19 occupy at least fifty percent of the interior space in the total  
20 development owned by the authority or at least fifty percent of the  
21 total number of units in the development owned by the authority,  
22 whichever produces the greater number of units for persons of low  
23 income, and for mobile home parks, the mobile home lots made available  
24 to persons of low income shall be at least fifty percent of the total  
25 number of mobile home lots in the park owned by the authority; to own,  
26 hold, and improve real or personal property; to purchase, lease, obtain  
27 options upon, acquire by gift, grant, bequest, devise, or otherwise  
28 including financial assistance and other aid from the state or any  
29 public body, person or corporation, any real or personal property or  
30 any interest therein; to acquire by the exercise of the power of  
31 eminent domain any real property; to sell, lease, exchange, transfer,  
32 assign, pledge, or dispose of any real or personal property or any  
33 interest therein; to sell, lease, exchange, transfer, or dispose of any  
34 real or personal property or interest therein at less than fair market  
35 value to a governmental entity for any purpose when such action assists  
36 the housing authority in carrying out its powers and purposes under  
37 this chapter, to a low-income person or family for the purpose of  
38 providing housing for that person or family, or to a nonprofit  
39 corporation provided the nonprofit corporation agrees to sell the

1 property to a low-income person or family or to use the property for  
2 the provision of housing for persons of low income for at least twenty  
3 years; to insure or provide for the insurance of any real or personal  
4 property or operations of the authority against any risks or hazards;  
5 to procure or agree to the procurement of insurance or guarantees from  
6 the federal government of the payment of any bonds or parts thereof  
7 issued by an authority, including the power to pay premiums on any such  
8 insurance.

9 (6) To invest any funds held in reserves or sinking funds, or any  
10 funds not required for immediate disbursement, in property or  
11 securities in which savings banks may legally invest funds subject to  
12 their control; to purchase its bonds at a price not more than the  
13 principal amount thereof and accrued interest, all bonds so purchased  
14 to be canceled.

15 (7) Within its area of operation: To investigate into living,  
16 dwelling and housing conditions and into the means and methods of  
17 improving such conditions; to determine where slum areas exist or where  
18 there is a shortage of decent, safe and sanitary dwelling  
19 accommodations for persons of low income; to make studies and  
20 recommendations relating to the problem of clearing, replanning and  
21 reconstructing of slum areas, and the problem of providing dwelling  
22 accommodations for persons of low income, and to cooperate with the  
23 city, the county, the state or any political subdivision thereof in  
24 action taken in connection with such problems; and to engage in  
25 research, studies and experimentation on the subject of housing.

26 (8) Acting through one or more commissioners or other person or  
27 persons designated by the authority: To conduct examinations and  
28 investigations and to hear testimony and take proof under oath at  
29 public or private hearings on any matter material for its information;  
30 to administer oaths, issue subpoenas requiring the attendance of  
31 witnesses or the production of books and papers and to issue  
32 commissions for the examination of witnesses who are outside of the  
33 state or unable to attend before the authority, or excused from  
34 attendance; to make available to appropriate agencies (including those  
35 charged with the duty of abating or requiring the correction of  
36 nuisances or like conditions, or of demolishing unsafe or insanitary  
37 structures within its area of operation) its findings and  
38 recommendations with regard to any building or property where



1 conditions exist which are dangerous to the public health, morals,  
2 safety or welfare.

3 (9) To initiate eviction proceedings against any tenant as provided  
4 by law. Activity occurring in any housing authority unit that  
5 constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall  
6 constitute a nuisance for the purpose of RCW 59.12.030(5).

7 (10) To exercise all or any part or combination of powers herein  
8 granted.

9 No provisions of law with respect to the acquisition, operation or  
10 disposition of property by other public bodies shall be applicable to  
11 an authority unless the legislature shall specifically so state.

12 (11) To agree (notwithstanding the limitation contained in RCW  
13 35.82.210) to make such payments in lieu of taxes as the authority  
14 finds consistent with the achievement of the purposes of this chapter.

15 (12) Upon the request of a county or city, to exercise any powers  
16 of ~~((an urban))~~ a community renewal agency under chapter 35.81 RCW or  
17 a public corporation, commission, or authority under chapter 35.21 RCW.  
18 ~~((However, in the exercise of any such powers the housing authority  
19 shall be subject to any express limitations contained in this  
20 chapter.))~~

21 (13) To exercise the powers granted in this chapter within the  
22 boundaries of any city, town, or county not included in the area in  
23 which such housing authority is originally authorized to function:  
24 PROVIDED, HOWEVER, The governing or legislative body of such city,  
25 town, or county, as the case may be, adopts a resolution declaring that  
26 there is a need for the authority to function in such territory.

27 (14) To administer contracts for assistance payments to persons of  
28 low income in accordance with section 8 of the United States Housing  
29 Act of 1937, as amended by Title II, section 201 of the Housing and  
30 Community Development Act of 1974, P.L. 93-383.

31 (15) To sell at public or private sale, with or without public  
32 bidding, for fair market value, any mortgage or other obligation held  
33 by the authority.

34 (16) To the extent permitted under its contract with the holders of  
35 bonds, notes, and other obligations of the authority, to consent to any  
36 modification with respect to rate of interest, time and payment of any  
37 installment of principal or interest security, or any other term of any  
38 contract, mortgage, mortgage loan, mortgage loan commitment, contract  
39 or agreement of any kind to which the authority is a party.

1 (17) To make, purchase, participate in, invest in, take assignments  
2 of, or otherwise acquire loans to persons of low income to enable them  
3 to acquire, construct, reconstruct, rehabilitate, improve, lease, or  
4 refinance their dwellings, and to take such security therefor as is  
5 deemed necessary and prudent by the authority.

6 (18) To make, purchase, participate in, invest in, take assignments  
7 of, or otherwise acquire loans for the acquisition, construction,  
8 reconstruction, rehabilitation, improvement, leasing, or refinancing of  
9 land, buildings, or developments for housing for persons of low income.  
10 For purposes of this subsection, development shall include either land  
11 or buildings or both.

12 (a) Any development financed under this subsection shall be subject  
13 to an agreement that for at least twenty years the dwelling units made  
14 available to persons of low income together with functionally related  
15 and subordinate facilities shall occupy at least fifty percent of the  
16 interior space in the total development or at least fifty percent of  
17 the total number of units in the development, whichever produces the  
18 greater number of units for persons of low income. For mobile home  
19 parks, the mobile home lots made available to persons of low income  
20 shall be at least fifty percent of the total number of mobile home lots  
21 in the park. During the term of the agreement, the owner shall use its  
22 best efforts in good faith to maintain the dwelling units or mobile  
23 home lots required to be made available to persons of low income at  
24 rents affordable to persons of low income. The twenty-year requirement  
25 under this subsection (18)(a) shall not apply when an authority  
26 finances the development by nonprofit corporations or governmental  
27 units of dwellings or mobile home lots intended for sale to persons of  
28 low and moderate income, and shall not apply to construction or other  
29 short-term financing provided to nonprofit corporations or governmental  
30 units when the financing has a repayment term of one year or less.

31 (b) In addition, if the development is owned by a for-profit  
32 entity, the dwelling units or mobile home lots required to be made  
33 available to persons of low income shall be rented to persons whose  
34 incomes do not exceed fifty percent of the area median income, adjusted  
35 for household size, and shall have unit or lot rents that do not exceed  
36 fifteen percent of area median income, adjusted for household size,  
37 unless rent subsidies are provided to make them affordable to persons  
38 of low income.

1 For purposes of this subsection (18)(b), if the development is  
2 owned directly or through a partnership by a governmental entity or a  
3 nonprofit organization, which nonprofit organization is itself not  
4 controlled by a for-profit entity or affiliated with any for-profit  
5 entity that a nonprofit organization itself does not control, it shall  
6 not be treated as being owned by a for-profit entity when the  
7 governmental entity or nonprofit organization exercises legal control  
8 of the ownership entity and in addition, (i) the dwelling units or  
9 mobile home lots required to be made available to persons of low income  
10 are rented to persons whose incomes do not exceed sixty percent of the  
11 area median income, adjusted for household size, and (ii) the  
12 development is subject to an agreement that transfers ownership to the  
13 governmental entity or nonprofit organization or extends an irrevocable  
14 right of first refusal to purchase the development under a formula for  
15 setting the acquisition price that is specified in the agreement.

16 (c) Commercial space in any building financed under this subsection  
17 that exceeds four stories in height shall not constitute more than  
18 twenty percent of the interior area of the building. Before financing  
19 any development under this subsection the authority shall make a  
20 written finding that financing is important for project feasibility or  
21 necessary to enable the authority to carry out its powers and purposes  
22 under this chapter.

23 (19) To contract with a public authority or corporation, created by  
24 a county, city, or town under RCW 35.21.730 through 35.21.755, to act  
25 as the developer for new housing projects or improvement of existing  
26 housing projects.

27 **Sec. 23.** RCW 35.21.730 and 1985 c 332 s 1 are each amended to read  
28 as follows:

29 In order to improve the administration of authorized federal grants  
30 or programs, to improve governmental efficiency and services, or to  
31 improve the general living conditions in the urban areas of the state,  
32 any city, town, or county may by lawfully adopted ordinance or  
33 resolution:

34 (1) Transfer to any public corporation, commission, or authority  
35 created ((hereunder)) under this section, with or without  
36 consideration, any funds, real or personal property, property  
37 interests, or services;

1 (2) Organize and participate in joint operations or cooperative  
2 organizations funded by the federal government when acting solely as  
3 coordinators or agents of the federal government;

4 (3) Continue federally-assisted programs, projects, and activities  
5 after expiration of contractual term or after expending allocated  
6 federal funds as deemed appropriate to fulfill contracts made in  
7 connection with such agreements or as may be proper to permit an  
8 orderly readjustment by participating corporations, associations, or  
9 individuals;

10 (4) Enter into contracts with public corporations, commissions, and  
11 authorities for the purpose of exercising any powers of a community  
12 renewal agency under chapter 35.81 RCW; and

13 (5) Create public corporations, commissions, and authorities to:  
14 Administer and execute federal grants or programs; receive and  
15 administer private funds, goods, or services for any lawful public  
16 purpose; and perform any lawful public purpose or public function. The  
17 ordinance or resolution shall limit the liability of such public  
18 corporations, commissions, and authorities to the assets and properties  
19 of such public corporation, commission, or authority in order to  
20 prevent recourse to such cities, towns, or counties or their assets or  
21 credit.

22 **Sec. 24.** RCW 35.21.745 and 1985 c 332 s 2 are each amended to read  
23 as follows:

24 (1) Any city, town, or county which shall create a public  
25 corporation, commission, or authority pursuant to RCW 35.21.730 or  
26 35.21.660, shall provide for its organization and operations and shall  
27 control and oversee its operation and funds in order to correct any  
28 deficiency and to assure that the purposes of each program undertaken  
29 are reasonably accomplished.

30 (2) Any public corporation, commission, or authority created as  
31 provided in RCW 35.21.730 may be empowered to own and sell real and  
32 personal property; to contract with a city, town, or county to conduct  
33 community renewal activities under chapter 35.81 RCW; to contract with  
34 individuals, associations, and corporations, and the state and the  
35 United States; to sue and be sued; to loan and borrow funds and issue  
36 bonds and other instruments evidencing indebtedness; transfer any  
37 funds, real or personal property, property interests, or services; to  
38 do anything a natural person may do; and to perform all manner and type

1 of community services(~~(: PROVIDED, That such)~~). However, the public  
2 corporation, commission, or authority shall have no power of eminent  
3 domain nor any power to levy taxes or special assessments.

4 **Sec. 25.** RCW 35.57.020 and 1999 c 165 s 2 are each amended to read  
5 as follows:

6 (1) A public facilities district is authorized to acquire,  
7 construct, own, remodel, maintain, equip, reequip, repair, finance, and  
8 operate one or more regional centers. For purposes of this chapter,  
9 "regional center" means a convention, conference, or special events  
10 center, or any combination of facilities, and related parking  
11 facilities, serving a regional population constructed, improved, or  
12 rehabilitated after July 25, 1999, at a cost of at least ten million  
13 dollars, including debt service. "Regional center" also includes an  
14 existing convention, conference, or special events center, and related  
15 parking facilities, serving a regional population, that is improved or  
16 rehabilitated after July 25, 1999, where the costs of improvement or  
17 rehabilitation are at least ten million dollars, including debt  
18 service. A regional center is conclusively presumed to serve a  
19 regional population if state and local government investment in the  
20 construction, improvement, or rehabilitation of the regional center is  
21 equal to or greater than ten million dollars.

22 (2) A public facilities district may enter into contracts with any  
23 city or town for the purpose of exercising any powers of a community  
24 renewal agency under chapter 35.81 RCW.

25 (3) A public facilities district may impose charges and fees for  
26 the use of its facilities, and may accept and expend or use gifts,  
27 grants, and donations for the purpose of a regional center.

28 ~~((+3+))~~ (4) A public facilities district may impose charges, fees,  
29 and taxes authorized in RCW 35.57.040, and use revenues derived  
30 therefrom for the purpose of paying principal and interest payments on  
31 bonds issued by the public facilities district to construct a regional  
32 center.

33 ~~((+4+))~~ (5) Notwithstanding the establishment of a career, civil,  
34 or merit service system, a public facilities district may contract with  
35 a public or private entity for the operation or management of its  
36 public facilities.

37 ~~((+5+))~~ (6) A public facilities district is authorized to use the  
38 supplemental alternative public works contracting procedures set forth

1 in chapter 39.10 RCW in connection with the design, construction,  
2 reconstruction, remodel, or alteration of any regional center.

3 (7) A county or municipal corporation in conjunction with any  
4 special agency, authority, or other district established by a county or  
5 any other governmental agency is authorized to use the supplemental  
6 alternative public works contracting procedures set forth in chapter  
7 39.10 RCW in connection with the design, construction, reconstruction,  
8 remodel, or alteration of any regional center funded in whole or in  
9 part by a public facilities district.

10 **Sec. 26.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each  
11 amended to read as follows:

12 (1) A public facilities district may be created in any county and  
13 shall be coextensive with the boundaries of the county.

14 (2) A public facilities district shall be created upon adoption of  
15 a resolution providing for the creation of such a district by the  
16 county legislative authority in which the proposed district is located.

17 (3) A public facilities district is a municipal corporation, an  
18 independent taxing "authority" within the meaning of Article VII,  
19 section 1 of the state Constitution, and a "taxing district" within the  
20 meaning of Article VII, section 2 of the state Constitution.

21 (4) No taxes authorized under this chapter may be assessed or  
22 levied unless a majority of the voters of the public facilities  
23 district has approved such tax at a general or special election. A  
24 single ballot proposition may both validate the imposition of the sales  
25 and use tax under RCW 82.14.048 and the excise tax under RCW  
26 36.100.040.

27 (5) A public facilities district shall constitute a body corporate  
28 and shall possess all the usual powers of a corporation for public  
29 purposes as well as all other powers that may now or hereafter be  
30 specifically conferred by statute, including, but not limited to, the  
31 authority to hire employees, staff, and services, to enter into  
32 contracts, and to sue and be sued.

33 (6) A public facilities district may enter into contracts with a  
34 county for the purpose of exercising any powers of a community renewal  
35 agency under chapter 35.81 RCW.

36 (7) The county legislative authority or the city council may  
37 transfer property to the public facilities district created under this  
38 chapter. No property that is encumbered with debt or that is in need

1 of major capital renovation may be transferred to the district without  
2 the agreement of the district and revenues adequate to retire the  
3 existing indebtedness.

4 NEW SECTION. **Sec. 27.** A new section is added to chapter 53.08 RCW  
5 to read as follows:

6 A port district may enter into a contract with any city, town, or  
7 county for the purpose of exercising any powers of a community renewal  
8 agency under chapter 35.81 RCW.

9 NEW SECTION. **Sec. 28.** If any provision of this act or its  
10 application to any person or circumstance is held invalid, the  
11 remainder of the act or the application of the provision to other  
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 29.** (1) This act does not impair any authority  
14 granted, any actions undertaken, or any liability or obligation  
15 incurred under the sections amended in this act or under any rule,  
16 order, plan, or project adopted under those sections, nor does it  
17 impair any proceedings instituted under those sections.

18 (2) Any power granted in this act with respect to a community  
19 renewal plan, and any process authorized for the exercise of the power,  
20 may be used by any municipality in implementing any urban renewal plan  
21 or project adopted under chapter 35.81 RCW, to the same extent as if  
22 the plan were adopted as a community renewal plan.

23 (3) This act shall be liberally construed.

24 NEW SECTION. **Sec. 30.** (1) RCW 35.81.010 is recodified as RCW  
25 35.81.015.

26 (2) RCW 35.81.020 is recodified as RCW 35.81.005."

27 **SHB 2357** - S COMM AMD

28 By Committee on Economic Development & Telecommunications

29 ADOPTED 03/06/02

30 On page 1, line 1 of the title, after "renewal;" strike the  
31 remainder of the title and insert "amending RCW 35.81.010, 35.81.020,  
32 35.81.030, 35.81.040, 35.81.050, 35.81.060, 35.81.070, 35.81.080,  
33 35.81.090, 35.81.100, 35.81.110, 35.81.120, 35.81.130, 35.81.150,

1 35.81.160, 35.81.170, 35.81.180, 35.81.910, 35.82.070, 35.21.730,  
2 35.21.745, 35.57.020, and 36.100.010; adding a new section to chapter  
3 53.08 RCW; adding new sections to chapter 35.81 RCW; creating a new  
4 section; and recodifying RCW 35.81.010 and 35.81.020."

--- END ---