
Local Government Committee

HB 1636

Brief Description: Creating a regional transfer of development rights program.

Sponsors: Representatives Simpson, B. Sullivan, Dunshee, Upthegrove, McCoy, Dickerson, P. Sullivan, Morrell, Sells and Rolfes.

Brief Summary of Bill

- Requires the Department of Community, Trade, and Economic Development (DCTED) to fund and manage the process of creating a regional transfer of development rights program within the Puget Sound Region.
- Requires the DCTED to work with up to four interested governmental and nongovernmental entities, the Puget Sound Regional Council, and Kitsap, King, Pierce, and Snohomish Counties throughout the process.
- Requires the DCTED to balance industry perspectives with land conservation perspectives in selecting which governmental and nongovernmental entities will participate in the process. At least one entity must have a statewide perspective of transfer of development rights programs while another must have a local perspective.
- Requires the DCTED to develop and present recommendations and strategies for implementing a regional transfer of development rights program to the Governor and appropriate committees of the Legislature.

Hearing Date: 1/30/07

Staff: Jessica Nowakowski (786-7291).

Background:

A Transfer of Development Right (TDR) program allows land owners to sever potential development rights on a particular piece of property in order to profit from future development that may have otherwise occurred on that land. TDR programs may be used for conservation

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purposes, including the preservation and historic spaces, and to encourage infill. A TDR is the exchange of zoning privileges from areas with low population density, such as farmlands, to areas of high population density, such as downtown areas.

Though different in purpose, application, and oversight, 11 jurisdictions have active TDR programs in Washington. Of these programs, seven jurisdictions have had development transactions using TDRs, typically from rural to urban areas.

Summary of Bill:

The DCTED is required to undergo a two-year process of creating a regional TDR program. The DCTED must work in conjunction with interested governmental and nongovernmental entities, the Puget Sound Regional Council, and Kitsap, King, Pierce, and Snohomish Counties to create final recommendations and implementation strategies. The findings and recommendations reported by the DCTED must consider the needs and interests of the interested parties, regardless of whether consensus is reached within the allotted time frame.

The DCTED must submit findings and recommendations to the Governor and the appropriate committees of the Legislature according to the following schedule:

- By December 1, 2007 – a progress report will be due on the creation of a regional TDR program, identification of other candidate TDR areas, and proposals to modify grant criteria for local governments; and
- By December 1, 2008 – a final progress report will be due on the creation of a regional TDR program along with strategies to implement the findings and recommendations identified in the final report.

Recommendations of the DCTED must further identify specific areas where cities can achieve significant benefits through the use of a TDR program. Modifying existing state grant programs to provide incentives for the use of a program by local governments is required to be considered as an option. The reports must also:

- Address challenges to the creation of an efficient and transparent TDR bank, brokerage, or direct buyer-seller exchange;
- Address issues of certainty to buyers and sellers concerning the long term environmental effects and perceived inequalities in land values and permitting processes of a TDR program;
- Address the means for assuring that appropriate land values are recognized and updated; and
- Address the need to maintain the quality of life in receiving neighborhoods and the protection of environmental values.

Appropriation: None.

Fiscal Note: Requested on 1/29/07.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.