
HOUSE BILL 1128

State of Washington

67th Legislature

2021 Regular Session

By Representatives Ryu, Hackney, Wylie, Bateman, Berg, Simmons, Ramel, Gregerson, Valdez, Duerr, Lekanoff, Macri, Pollet, and Harris-Talley

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1 AN ACT Relating to housing benefit districts; amending RCW
2 36.70A.600, 82.14.410, 84.52.043, and 29A.36.210; adding a new
3 section to chapter 82.14 RCW; and adding a new chapter to Title 36
4 RCW.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds the following:
7 (a) Housing for low-income and middle-income households is a
8 public purpose;
9 (b) Providing local governments with more options to increase
10 residential capacity, especially in urban areas, consistent with RCW
11 43.21C.420 is essential to fulfill this public purpose;
12 (c) A history of segregation and displacement has led to
13 disparities in access to education, living wage employment,
14 affordable housing, and transportation, particularly for Black,
15 Indigenous, and People of Color communities. This history has also
16 allowed certain populations to obtain and build wealth and to access
17 critical resources at the expense of others. Over time these factors
18 have put pressure on, marginalized, and displaced many from these
19 same communities;
20 (d) Black, Hispanic, and American Indian residents in the King,
21 Pierce, and Snohomish county region experience disproportionate

1 housing cost burden and are more likely to be renters than
2 homeowners. According to 2018 data from the federal housing and urban
3 development department, the rates of homeownership for Black
4 residents were half the rate for White residents of the region. Black
5 renters are also 30 percent more likely to be cost-burdened than
6 White renters, and Black homeowners are 38 percent more likely to be
7 cost-burdened than White homeowners. Similar disparities exist for
8 Hispanic populations whose rates of homeownership are 58 percent of
9 the rate of White homeownership, are 17 percent more likely to be
10 rental cost-burdened than White renters, and 25 percent more likely
11 to be owner cost-burdened than White homeowners. American Indian
12 populations have rates of homeownership that are 71 percent that of
13 White residents, are 12 percent more likely to be rental cost-
14 burdened than White renters, and eight percent more likely to be
15 owner cost-burdened than White homeowners;

16 (e) According to the fair housing equity assessment for the
17 central Puget Sound region published by the Puget Sound regional
18 council in 2014:

19 (i) Black residents continue to be the most segregated racial
20 group in the region, which data suggests cannot be explained by
21 income differences among racial groups; and

22 (ii) White and Asian residents are more likely to live in census
23 tracts with high or very high access to opportunity relative to the
24 total population when compared to foreign-born, American Indian,
25 Hispanic, and Black residents who are more likely to live in census
26 tracts with low or very low access to opportunity relative to the
27 total population. Living in poverty is associated with a higher
28 likelihood of living in an area of low or very low access to
29 opportunity, but this cannot explain why Black and Hispanic persons
30 living in poverty are more likely to live in areas of low or very low
31 access to opportunity than their White or Asian peers;

32 (f) Publicly funded salaried professionals and paraprofessionals
33 such as teachers, firefighters, law enforcement officers, nurses,
34 social workers, and transit operators cannot afford to live in the
35 districts in which they serve due to increasing housing costs;

36 (g) Employees of nonprofit organizations who help deliver
37 essential public services on contract, as well as those who help
38 provide essential services to the poor and infirm as part of their
39 organizational mission, are similarly housing cost-constrained;

1 (h) The failure to make adequate provision for low-income and
2 middle-income housing pushes many households to seek housing further
3 away from work, which leads to increased greenhouse gas emissions
4 from transportation, as well as congestion on state managed
5 transportation infrastructure, so providing for more low-income and
6 middle-income housing would enable the state to better meet
7 established goals for greenhouse gas emissions reduction and commute
8 trip reduction;

9 (i) Better public policy outcomes, including improvements and
10 benefits to transportation infrastructure and business, will occur if
11 public servants and nonprofit employees can afford to live in the
12 districts they serve;

13 (j) Communities across the state are facing an affordable housing
14 crisis and there is a particularly acute need for affordable housing
15 in the Puget Sound region. With historic investments in transit in
16 the Puget Sound region, communities have the unprecedented and urgent
17 opportunity to plan for, invest in, and build additional affordable
18 housing, ensuring the region gets the most out of these investments
19 in transit while meeting critical economic, environmental, and equity
20 goals; and

21 (k) Housing can drive economic growth within neighborhoods if
22 developed with a focus on services, jobs, infrastructure
23 improvements, open spaces, and other elements that make housing vital
24 and economically additive to nearby residents and the region as a
25 whole.

26 (2) The legislature intends with this act to authorize the
27 creation of housing benefit districts in order to produce more
28 affordable low-income and middle-income housing to enable all members
29 of the workforce to live in the district in which they serve,
30 including members of racial and ethnic groups disproportionately
31 experiencing adverse housing outcomes, to make sure that the
32 transportation and housing investments in our state help to foster
33 racial equity and rectify discriminatory practices.

34 NEW SECTION. **Sec. 2.** The definitions in this section apply
35 throughout this chapter unless the context clearly requires
36 otherwise.

37 (1) "Affordable housing" means residential housing for which the
38 monthly costs, including utilities other than telephone, do not
39 exceed 30 percent of the monthly income.

1 (2) "City" means a city or town as defined in Title 35 RCW.

2 (3) "District" means a housing benefit district established under
3 this chapter by:

4 (a) A city legislative authority. A district established solely
5 by a city must have jurisdictional boundaries that are coextensive
6 with the city's boundaries;

7 (b) A county legislative authority. A district established solely
8 by a county must have jurisdictional boundaries that are coextensive
9 with the unincorporated area of the county; or

10 (c) Interlocal agreement between one or more cities or counties.

11 (4) "Extremely low-income household" means a single person,
12 family, or unrelated persons living together whose income is at or
13 below 30 percent of the median income, as determined by the United
14 States department of housing and urban development, with adjustments
15 for household size, for the county where the taxing district is
16 located.

17 (5) "Low-income household" means a single person, family, or
18 unrelated persons living together whose income is above 50 percent
19 and at or below 80 percent of the median income, as determined by the
20 United States department of housing and urban development, with
21 adjustments for household size, for the county where the taxing
22 district is located.

23 (6) "Middle-income household" means a single person, family, or
24 unrelated persons living together whose income is above 80 percent
25 and at or below 120 percent of the median income, as determined by
26 the United States department of housing and urban development, with
27 adjustments for household size, for the county where the taxing
28 district is located.

29 (7) "Participating jurisdiction" means a city or county that has
30 created a housing benefit district under this act.

31 (8) "Station area" means an area within one-half mile of a major
32 transit stop that is zoned to have an average minimum density of 15
33 dwelling units or more per gross acre.

34 (9) "Station area plan" means a subarea plan adopted under RCW
35 43.21C.420.

36 (10) "Very low-income household" means a single person, family,
37 or unrelated persons living together whose income is above 30 percent
38 and at or below 50 percent of the median income, as determined by the
39 United States department of housing and urban development, with

1 adjustments for household size, for the county where the taxing
2 district is located.

3 NEW SECTION. **Sec. 3.** (1) Subject to the requirements of
4 subsection (5) of this section, the legislative authority of a county
5 or city may establish a housing benefit district for the purpose of
6 acquiring, land banking, predevelopment contracting, selling,
7 improving, funding, and leasing land for the creation of affordable
8 low-income and middle-income housing and community development
9 projects within the district consistent with any existing state,
10 regional, or county housing plans and chapter 43.185B RCW.

11 (2) The district may include two or more cities or counties, or a
12 combination of both, if the legislative authority of each
13 participating jurisdiction has agreed to the inclusion as provided in
14 an interlocal agreement adopted pursuant to chapter 39.34 RCW.

15 (3) The members of the legislative authority proposing to
16 establish the district, acting ex officio and independently,
17 constitute the governing body of the district. However, where a
18 district includes area within more than one participating
19 jurisdiction under subsection (2) of this section, the district must
20 be governed under an interlocal agreement adopted pursuant to chapter
21 39.34 RCW, with the governing body being composed of:

22 (a) At least five members, including at least one elected
23 official from the legislative authority of each participating
24 jurisdiction and any remaining members appointed by the legislative
25 authority of the participating jurisdictions in a manner determined
26 in the interlocal agreement and who are members having expertise in
27 the areas described in section 7(2) of this act; or

28 (b) The governing body of the metropolitan planning organization
29 serving the district, but only if the district boundaries are
30 identical to the boundaries of the metropolitan planning organization
31 serving the district.

32 (4) The treasurer of the participating jurisdiction proposing to
33 establish the district shall act as the ex officio treasurer of the
34 district, unless an interlocal agreement states otherwise.

35 (5) Prior to the formation of any district, the participating
36 jurisdictions must adopt a housing action plan as described in RCW
37 36.70A.600(2) that includes at least two of the actions listed under
38 RCW 36.70A.600(1) and results in development within the station area
39 producing the following mix of affordable housing:

- 1 (a) Five percent affordable to extremely low-income households;
- 2 (b) 10 percent affordable to very low-income households;
- 3 (c) 19 percent affordable to low-income households;
- 4 (d) 33 percent affordable to middle-income households; and
- 5 (e) 33 percent available at market rate.

6 (6) A city or county establishing a district within or
7 encompassing a county with a population of at least 750,000 must
8 adopt a station area plan that is consistent with accommodating 65
9 percent of future population growth. Station area plans must be
10 approved by the advisory board created in section 7 of this act
11 before any proposition for a tax is submitted to the voters.
12 Districts must submit any subsequent amendments to station area plans
13 to the advisory board for approval.

14 (7) A district is a municipal corporation, an independent taxing
15 "authority" within the meaning of Article VII, section 1 of the
16 Washington state Constitution, and a "taxing district" within the
17 meaning of Article VII, section 2 of the Washington state
18 Constitution.

19 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.14
20 RCW to read as follows:

21 (1) A housing benefit district may submit an authorizing
22 proposition to the voters within the district at a special or general
23 election and, if the proposition is approved by a majority of persons
24 voting, impose a sales and use tax in accordance with the terms of
25 this chapter. The title of each ballot measure must clearly state the
26 purposes for which the proposed sales and use tax will be used and
27 the time period for the sales tax, which may be permanent. Except as
28 provided in subsection (2) of this section, the rate of tax under
29 this section may not exceed .2 percent of the selling price in the
30 case of a sales tax, or value of the article used, in the case of a
31 use tax. The tax authorized in this section is in addition to any
32 other taxes authorized by law and must be collected from those
33 persons who are taxable by the state under chapters 82.08 and 82.12
34 RCW upon the occurrence of any taxable event within the boundaries of
35 the district.

36 (2) For districts consisting of a single participating
37 jurisdiction with a population greater than 750,000 or consisting of
38 at least two participating jurisdictions with a combined population
39 greater than 250,000, the rate of tax authorized under subsection (1)

1 of this section may not exceed .5 percent of the selling price in the
2 case of a sales tax, or value of the article used, in the case of a
3 use tax.

4 (3) In addition to the authority provided in subsections (1) and
5 (2) of this section, a district may impose, without a proposition
6 approved by a majority of persons voting, a sales and use tax in
7 accordance with the terms of this chapter. The rate of tax under this
8 section may not exceed .1 percent of the selling price in the case of
9 a sales tax, or value of the article used, in the case of a use tax.
10 The tax authorized in this section is in addition to any other taxes
11 authorized by law and must be collected from those persons who are
12 taxable by the state under chapters 82.08 and 82.12 RCW upon the
13 occurrence of any taxable event within the boundaries of the
14 district.

15 (4) For purposes of this section, the definitions in section 2 of
16 this act apply.

17 NEW SECTION. **Sec. 5.** (1) Beginning with taxes levied for
18 collection in calendar year 2022, the legislative authority of a
19 district may impose a regular property tax levy, not to exceed \$1 per
20 \$1,000 of the assessed value of property in the district, for the
21 exclusive purpose of providing funding for the purposes described in
22 sections 3 and 6 of this act. The tax proposition may be submitted at
23 a general or special election. The tax may be imposed for each year
24 for six consecutive years when specifically authorized by a majority
25 of the registered voters in the district voting on a proposition
26 under this subsection. Ballot propositions must conform with RCW
27 29A.36.210.

28 (2) A district may provide for the retirement of voter-approved
29 general obligation bonds, issued for capital purposes only, by
30 levying bond retirement ad valorem property tax levies in excess of
31 the one percent limitation whenever authorized by the voters of the
32 district pursuant to Article VII, section 2(b) of the Washington
33 state Constitution and RCW 84.52.056.

34 (3) To carry out the purposes of this act and notwithstanding RCW
35 39.36.020(1), a district may issue general obligation bonds without
36 voter approval, not to exceed an amount, together with any other
37 outstanding nonvoter-approved general obligation indebtedness of the
38 district, equal to 1.5 percent of the value of taxable property
39 within the district, as the term "value of the taxable property" is

1 defined in RCW 39.36.015. A district may additionally issue general
2 obligation bonds for capital purposes only, together with any
3 outstanding general obligation indebtedness, not to exceed an amount
4 equal to five percent of the value of the taxable property within the
5 district, as the term "value of the taxable property" is defined in
6 RCW 39.36.015, when authorized by the voters of the district pursuant
7 to Article VIII, section 6 of the Washington state Constitution, and
8 may also provide for the retirement thereof by excess property tax
9 levies as provided in subsection (2) of this section. The district
10 may, if applicable, submit a single proposition to the voters that,
11 if approved, authorizes both the issuance of the bonds and the bond
12 retirement property tax levies.

13 (4) Districts may issue general obligation bonds in accordance
14 with chapter 39.46 RCW that mature within 40 years.

15 (5) Whenever general obligation bonds are issued to fund specific
16 projects or enterprises that generate revenues, the district may
17 specifically pledge all or a portion of the revenues to pay the
18 principal of and interest on the general obligation bonds. The
19 district may also pledge any other revenues that may be available to
20 the district.

21 (6) In addition to general obligation bonds, a district may issue
22 revenue bonds to be issued and sold in accordance with chapter 39.46
23 RCW.

24 (7) For purposes of this section, "regular property tax levy"
25 means a levy subject to the limitations provided for in Article VII,
26 section 2 of the Washington state Constitution or by statute. The
27 limitations in RCW 84.52.043 shall not apply to the tax levy
28 authorized in this section.

29 NEW SECTION. **Sec. 6.** (1) Any moneys received from the taxes
30 imposed or bonds issued under this chapter must be spent to implement
31 or reimburse jurisdictions for implementing the purposes of this
32 chapter, including the following:

33 (a) Station area planning strategies, including creating new or
34 updating existing plans, identifying a community vision, assessing
35 the current regulatory environment and identify possible barriers to
36 affordable housing development, assessing displacement risk for
37 current low-income residents and underrepresented racial and ethnic
38 minorities, creating a displacement mitigation plan, promoting
39 equitable homeownership opportunities for underrepresented racial and

1 ethnic minorities, and assessing alternate pathways to ownership
2 models such as community land trusts and limited or shared equity
3 cooperatives;

4 (b) Land acquisition, based on station area plans and working
5 with local jurisdictions and both nonprofit and for-profit developers
6 to acquire, assemble, lease, land bank parcels, or sell, in cases
7 where the station area plan clearly demonstrates that it is not
8 financially feasible to lease all development parcels, with the net
9 proceeds directed to subsidies for affordable housing and to promote
10 community land trusts and infrastructure costs; and

11 (c) Infrastructure development, such as area-wide environmental
12 plans, sewers, and sidewalks.

13 (2) Up to one percent of revenue generated by the taxes imposed
14 under this act may be used to:

15 (a) Cover the actual costs incurred by the advisory board created
16 in section 7 of this act in the performance of its oversight and
17 technical assistance duties; and

18 (b) Compensate housing finance commission staff providing support
19 to the advisory board.

20 NEW SECTION. **Sec. 7.** (1) There is hereby established a housing
21 benefit district advisory board, to be appointed by the governor, to
22 provide oversight and technical assistance to districts.

23 (2) (a) The governor shall appoint seven members of the advisory
24 board, one of whom shall be appointed by the governor as chair. The
25 advisory board shall consist of the following voting members:

26 (i) One member with public or private real estate finance
27 experience;

28 (ii) One member with affordable housing development experience;

29 (iii) One member with market rate housing development experience;

30 (iv) One member with experience in neighborhood and community
31 planning;

32 (v) One member with design and architecture experience;

33 (vi) One member with experience in transit-oriented development;

34 and

35 (vii) One member with economic development experience.

36 (b) In appointing persons to serve on the advisory board, the
37 governor shall strive to reflect the racial and ethnic makeup of
38 state residents overall to ensure the inclusion of members of racial

1 and ethnic groups disproportionately experiencing severe and moderate
2 housing cost-burden.

3 (c) The term of the persons appointed by the governor, other than
4 the chair, is four years from the date of their appointment, except
5 that the terms of three of the initial appointees are for two years
6 from the date of their appointment.

7 (3) The advisory board must review and approve the station area
8 plans submitted by the districts pursuant to section 3(6) of this act
9 to confirm compliance with regional growth strategies.

10 (4) Staff to the housing finance commission under chapter 43.180
11 RCW must provide administrative and staff support to the advisory
12 board and must be compensated for its services as prescribed under
13 section 6(2) of this act. In performing administrative and staff
14 support to the advisory board, housing finance commission staff must:

15 (a) Employ permanent and temporary staff with expertise in
16 housing finance, land use and planning, transit, and project
17 development; and

18 (b) Provide all administrative and information technology
19 services required for the advisory board.

20 **Sec. 8.** RCW 36.70A.600 and 2020 c 173 s 1 are each amended to
21 read as follows:

22 (1) A city planning pursuant to RCW 36.70A.040 is encouraged to
23 take the following actions in order to increase its residential
24 building capacity:

25 (a) Authorize development in one or more areas of not fewer than
26 five hundred acres that include at least one train station served by
27 commuter rail or light rail with an average of at least fifty
28 residential units per acre that require no more than an average of
29 one on-site parking space per two bedrooms in the portions of
30 multifamily zones that are located within the areas;

31 (b) Authorize development in one or more areas of not fewer than
32 two hundred acres in cities with a population greater than forty
33 thousand or not fewer than one hundred acres in cities with a
34 population less than forty thousand that include at least one bus
35 stop served by scheduled bus service of at least four times per hour
36 for twelve or more hours per day with an average of at least twenty-
37 five residential units per acre that require no more than an average
38 of one on-site parking space per two bedrooms in portions of the
39 multifamily zones that are located within the areas;

1 (c) Authorize at least one duplex, triplex, quadplex, sixplex,
2 stacked flat, townhouse, or courtyard apartment on each parcel in one
3 or more zoning districts that permit single-family residences unless
4 a city documents a specific infrastructure of physical constraint
5 that would make this requirement unfeasible for a particular parcel;
6 (d) Authorize a duplex, triplex, quadplex, sixplex, stacked flat,
7 townhouse, or courtyard apartment on one or more parcels for which
8 they are not currently authorized;
9 (e) Authorize cluster zoning or lot size averaging in all zoning
10 districts that permit single-family residences;
11 (f) Adopt a subarea plan pursuant to RCW 43.21C.420;
12 (g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii),
13 except that an environmental impact statement pursuant to RCW
14 43.21C.030 is not required for such an action;
15 (h) Adopt increases in categorical exemptions pursuant to RCW
16 43.21C.229 for residential or mixed-use development;
17 (i) Adopt a form-based code in one or more zoning districts that
18 permit residential uses. "Form-based code" means a land development
19 regulation that uses physical form, rather than separation of use, as
20 the organizing principle for the code;
21 (j) Authorize a duplex on each corner lot within all zoning
22 districts that permit single-family residences;
23 (k) Allow for the division or redivision of land into the maximum
24 number of lots through the short subdivision process provided in
25 chapter 58.17 RCW;
26 (l) Authorize a minimum net density of six dwelling units per
27 acre in all residential zones, where the residential development
28 capacity will increase within the city. For purposes of this
29 subsection, the calculation of net density does not include the
30 square footage of areas that are otherwise prohibited from
31 development, such as critical areas, the area of buffers around
32 critical areas, and the area of roads and similar features;
33 (m) Create one or more zoning districts of medium density in
34 which individual lots may be no larger than three thousand five
35 hundred square feet and single-family residences may be no larger
36 than one thousand two hundred square feet;
37 (n) Authorize accessory dwelling units in one or more zoning
38 districts in which they are currently prohibited;
39 (o) Remove minimum residential parking requirements related to
40 accessory dwelling units;

- 1 (p) Remove owner occupancy requirements related to accessory
2 dwelling units;
- 3 (q) Adopt new square footage requirements related to accessory
4 dwelling units that are less restrictive than existing square footage
5 requirements related to accessory dwelling units;
- 6 (r) Adopt maximum allowable exemption levels in WAC 197-11-800(1)
7 as it existed on June 11, 2020, or such subsequent date as may be
8 provided by the department of ecology by rule, consistent with the
9 purposes of this section;
- 10 (s) Adopt standards for administrative approval of final plats
11 pursuant to RCW 58.17.100;
- 12 (t) Adopt ordinances authorizing administrative review of
13 preliminary plats pursuant to RCW 58.17.095;
- 14 (u) Adopt other permit process improvements where it is
15 demonstrated that the code, development regulation, or ordinance
16 changes will result in a more efficient permit process for customers;
- 17 (v) Update use matrices and allowable use tables that eliminate
18 conditional use permits and administrative conditional use permits
19 for all housing types, including single-family homes, townhomes,
20 multifamily housing, low-income housing, and senior housing, but
21 excluding essential public facilities;
- 22 (w) Allow off-street parking to compensate for lack of on-street
23 parking when private roads are utilized or a parking demand study
24 shows that less parking is required for the project;
- 25 (x) Develop a local program that offers homeowners a combination
26 of financing, design, permitting, or construction support to build
27 accessory dwelling units. A city may condition this program on a
28 requirement to provide the unit for affordable home ownership or rent
29 the accessory dwelling unit for a defined period of time to either
30 tenants in a housing subsidy program as defined in RCW 43.31.605(14)
31 or to tenants whose income is less than eighty percent of the city or
32 county median family income. If the city includes an affordability
33 requirement under the program, it must provide additional incentives,
34 such as:
- 35 (i) Density bonuses;
- 36 (ii) Height and bulk bonuses;
- 37 (iii) Fee waivers or exemptions;
- 38 (iv) Parking reductions; or
- 39 (v) Expedited permitting; and

1 (y) Develop a local program that offers homeowners a combination
2 of financing, design, permitting, or construction support to convert
3 a single-family home into a duplex, triplex, or quadplex where those
4 housing types are authorized. A local government may condition this
5 program on a requirement to provide a certain number of units for
6 affordable home ownership or to rent a certain number of the newly
7 created units for a defined period of time to either tenants in a
8 housing subsidy program as defined in RCW 43.31.605(14) or to tenants
9 whose income is less than eighty percent of the city or county median
10 family income. If the city includes an affordability requirement, it
11 must provide additional incentives, such as:

- 12 (i) Density bonuses;
- 13 (ii) Height and bulk bonuses;
- 14 (iii) Fee waivers or exemptions;
- 15 (iv) Parking reductions; or
- 16 (v) Expedited permitting.

17 (2) A city planning pursuant to RCW 36.70A.040 may adopt a
18 housing action plan as described in this subsection. The goal of any
19 such housing plan must be to encourage construction of additional
20 affordable and market rate housing in a greater variety of housing
21 types and at prices that are accessible to a greater variety of
22 incomes, including strategies aimed at the for-profit single-family
23 home market. A housing action plan may utilize data compiled pursuant
24 to RCW 36.70A.610. The housing action plan should:

25 (a) Quantify existing and projected housing needs for all income
26 levels, including extremely low-income households, with documentation
27 of housing and household characteristics, and cost-burdened
28 households;

29 (b) Develop strategies to increase the supply of housing, and
30 variety of housing types, needed to serve the housing needs
31 identified in (a) of this subsection;

32 (c) Analyze population and employment trends, with documentation
33 of projections;

34 (d) Consider strategies to minimize displacement of low-income
35 residents resulting from redevelopment;

36 (e) Review and evaluate the current housing element adopted
37 pursuant to RCW 36.70A.070, including an evaluation of success in
38 attaining planned housing types and units, achievement of goals and
39 policies, and implementation of the schedule of programs and actions;

1 (f) Provide for participation and input from community members,
2 community groups, local builders, local realtors, nonprofit housing
3 advocates, and local religious groups; and

4 (g) Include a schedule of programs and actions to implement the
5 recommendations of the housing action plan.

6 (3) If adopted by April 1, 2023, ordinances, amendments to
7 development regulations, and other nonproject actions taken by a city
8 to implement the actions specified in subsection (1) of this section,
9 with the exception of the action specified in subsection (1)(f) of
10 this section, are not subject to administrative or judicial appeal
11 under chapter 43.21C RCW.

12 (4) Any action taken by a city prior to April 1, 2023, to amend
13 their comprehensive plan, or adopt or amend ordinances or development
14 regulations, solely to enact provisions under subsection (1) of this
15 section is not subject to legal challenge under this chapter.

16 (5) In taking action under subsection (1) of this section, cities
17 are encouraged to utilize strategies that increase residential
18 building capacity in areas with frequent transit service and with the
19 transportation and utility infrastructure that supports the
20 additional residential building capacity.

21 (6) A city that is planning to take at least two actions under
22 subsection (1) of this section, and that action will occur between
23 July 28, 2019, and April 1, 2021, is eligible to apply to the
24 department for planning grant assistance of up to one hundred
25 thousand dollars, subject to the availability of funds appropriated
26 for that purpose. The department shall develop grant criteria to
27 ensure that grant funds awarded are proportionate to the level of
28 effort proposed by a city, and the potential increase in housing
29 supply or regulatory streamlining that could be achieved. Funding may
30 be provided in advance of, and to support, adoption of policies or
31 ordinances consistent with this section. A city can request, and the
32 department may award, more than one hundred thousand dollars for
33 applications that demonstrate extraordinary potential to increase
34 housing supply or regulatory streamlining.

35 (7) A city seeking to develop a housing action plan under
36 subsection (2) of this section (~~(is)~~) or participating jurisdictions
37 required to adopt a housing action plan under section 3(5) of this
38 act are eligible to apply to the department for up to one hundred
39 thousand dollars.

1 (8) The department shall establish grant award amounts under
2 subsections (6) and (7) of this section based on the expected number
3 of cities or participating jurisdictions that will seek grant
4 assistance, to ensure that all cities and participating jurisdictions
5 can receive some level of grant support. If funding capacity allows,
6 the department may consider accepting and funding applications from
7 cities with a population of less than twenty thousand if the actions
8 proposed in the application will create a significant amount of
9 housing capacity or regulatory streamlining and are consistent with
10 the actions in this section.

11 (9) In implementing chapter 348, Laws of 2019, cities are
12 encouraged to prioritize the creation of affordable, inclusive
13 neighborhoods and to consider the risk of residential displacement,
14 particularly in neighborhoods with communities at high risk of
15 displacement.

16 **Sec. 9.** RCW 82.14.410 and 2015 3rd sp.s. c 24 s 704 are each
17 amended to read as follows:

18 (1) A local sales and use tax change adopted after December 1,
19 2000, must provide an exemption for those sales of lodging for which,
20 but for the exemption, the total sales tax rate imposed on sales of
21 lodging would exceed the greater of:

22 (a) Twelve percent; or

23 (b) The total sales tax rate that would have applied to the sale
24 of lodging if the sale were made on December 1, 2000.

25 (2) For the purposes of this section:

26 (a) "Local sales and use tax change" is defined as provided in
27 RCW 82.14.055.

28 (b) "Sale of lodging" means the sale of or charge made for the
29 furnishing of lodging and all other services by a hotel, rooming
30 house, tourist court, motel, trailer camp, and the granting of any
31 similar license to use real property.

32 (c) "Total sales tax rate" means the combined rates of all state
33 and local taxes imposed under this chapter and chapters 36.100,
34 67.28, 67.40, and 82.08 RCW, and any other tax authorized after March
35 29, 2001, if the tax is in the nature of a sales tax collected from
36 the buyer, but excluding taxes imposed under RCW 81.104.170 before
37 December 1, 2000, and taxes imposed under RCW 82.14.530 and section 4
38 of this act.

1 **Sec. 10.** RCW 84.52.043 and 2020 c 253 s 3 are each amended to
2 read as follows:

3 Within and subject to the limitations imposed by RCW 84.52.050 as
4 amended, the regular ad valorem tax levies upon real and personal
5 property by the taxing districts hereafter named are as follows:

6 (1) Levies of the senior taxing districts are as follows: (a) The
7 levies by the state may not exceed the applicable aggregate rate
8 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state
9 equalized value in accordance with the indicated ratio fixed by the
10 state department of revenue to be used exclusively for the support of
11 the common schools; (b) the levy by any county may not exceed one
12 dollar and eighty cents per thousand dollars of assessed value; (c)
13 the levy by any road district may not exceed two dollars and twenty-
14 five cents per thousand dollars of assessed value; and (d) the levy
15 by any city or town may not exceed three dollars and thirty-seven and
16 one-half cents per thousand dollars of assessed value. However any
17 county is hereby authorized to increase its levy from one dollar and
18 eighty cents to a rate not to exceed two dollars and forty-seven and
19 one-half cents per thousand dollars of assessed value for general
20 county purposes if the total levies for both the county and any road
21 district within the county do not exceed four dollars and five cents
22 per thousand dollars of assessed value, and no other taxing district
23 has its levy reduced as a result of the increased county levy.

24 (2) The aggregate levies of junior taxing districts and senior
25 taxing districts, other than the state, may not exceed five dollars
26 and ninety cents per thousand dollars of assessed valuation. The term
27 "junior taxing districts" includes all taxing districts other than
28 the state, counties, road districts, cities, towns, port districts,
29 and public utility districts. The limitations provided in this
30 subsection do not apply to: (a) Levies at the rates provided by
31 existing law by or for any port or public utility district; (b)
32 excess property tax levies authorized in Article VII, section 2 of
33 the state Constitution; (c) levies for acquiring conservation futures
34 as authorized under RCW 84.34.230; (d) levies for emergency medical
35 care or emergency medical services imposed under RCW 84.52.069; (e)
36 levies to finance affordable housing imposed under RCW 84.52.105; (f)
37 the portions of levies by metropolitan park districts that are
38 protected under RCW 84.52.120; (g) levies imposed by ferry districts
39 under RCW 36.54.130; (h) levies for criminal justice purposes under
40 RCW 84.52.135; (i) the portions of levies by fire protection

