
HOUSE BILL 2141

State of Washington

68th Legislature

2024 Regular Session

By Representatives Donaghy, Low, Simmons, Ormsby, and Barkis

Prefiled 01/04/24. Read first time 01/08/24. Referred to Committee on Housing.

1 AN ACT Relating to promoting affordable housing in unincorporated
2 areas within urban growth areas of large counties; amending RCW
3 84.14.040 and 84.14.060; and creating a new section.

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

5 **Sec. 1.** RCW 84.14.040 and 2021 c 187 s 4 are each amended to
6 read as follows:

7 (1) The following criteria must be met before an area may be
8 designated as a residential targeted area:

9 (a) The area must be within an urban center, as determined by the
10 governing authority;

11 (b) The area must lack, as determined by the governing authority,
12 sufficient available, desirable, and convenient residential housing,
13 including affordable housing, to meet the needs of the public who
14 would be likely to live in the urban center, if the affordable,
15 desirable, attractive, and livable places to live were available;

16 (c) The providing of additional housing opportunity, including
17 affordable housing, in the area, as determined by the governing
18 authority, will assist in achieving one or more of the stated
19 purposes of this chapter;

20 (d) If the residential targeted area is designated by a county,
21 the area must be located in an unincorporated area of the county that

1 is within an urban growth area under RCW 36.70A.110 and the area must
2 be: (i) In a rural county, served by a sewer system and designated by
3 a county prior to January 1, 2013; or (ii) (A) in a county ~~((that~~
4 ~~includes a campus of an institution of higher education, as defined~~
5 ~~in RCW 28B.92.030, where at least one thousand two hundred students~~
6 ~~live on campus during the academic year))~~ with a population greater
7 than 275,000; and ~~((iii))~~ (B) until July 15, 2024, in a county
8 seeking to promote transit supportive densities and efficient land
9 use in an area that is located within a designated urban growth area
10 and within 0.25 miles of a corridor where bus service is scheduled at
11 least every ~~((thirty))~~ 30 minutes for no less than 10 hours per
12 weekday and is in service or is planned for service to begin within
13 five years of designation; and

14 (e) For a residential targeted area designated by a county after
15 July 25, 2021, the county governing authority must conduct an
16 evaluation of the risk of potential displacement of residents
17 currently living in the area if the tax incentives authorized in this
18 chapter were to be used in the area. The county may use an existing
19 analysis if one exists. An area may not be designated as a
20 residential targeted area unless: (i) The evaluation finds that the
21 risk of displacement is minimal; or (ii) the governing authority
22 mitigates the risk of displacement with locally adopted mitigation
23 measures such as, but not limited to, ensuring that those directly or
24 indirectly displaced have a first right of refusal to occupy the
25 newly created dwelling units receiving an exemption under this
26 chapter, including the affordable units if they otherwise meet the
27 qualifications.

28 (2) For the purpose of designating a residential targeted area or
29 areas, the governing authority may adopt a resolution of intention to
30 so designate an area as generally described in the resolution. The
31 resolution must state the time and place of a hearing to be held by
32 the governing authority to consider the designation of the area and
33 may include such other information pertaining to the designation of
34 the area as the governing authority determines to be appropriate to
35 apprise the public of the action intended.

36 (3) The governing authority must give notice of a hearing held
37 under this chapter by publication of the notice once each week for
38 two consecutive weeks, not less than seven days, nor more than
39 ~~((thirty))~~ 30 days before the date of the hearing in a paper having a
40 general circulation in the city or county where the proposed

1 residential targeted area is located. The notice must state the time,
2 date, place, and purpose of the hearing and generally identify the
3 area proposed to be designated as a residential targeted area.

4 (4) Following the hearing, or a continuance of the hearing, the
5 governing authority may designate all or a portion of the area
6 described in the resolution of intent as a residential targeted area
7 if it finds, in its sole discretion, that the criteria in subsections
8 (1) through (3) of this section have been met.

9 (5) After designation of a residential targeted area, the
10 governing authority must adopt and implement standards and guidelines
11 to be utilized in considering applications and making the
12 determinations required under RCW 84.14.060. The standards and
13 guidelines must establish basic requirements for both new
14 construction and rehabilitation, which must include:

15 (a) Application process and procedures;

16 (b) Income and rent standards for affordable units;

17 (c) Requirements that address demolition of existing structures
18 and site utilization; and

19 (d) Building requirements that may include elements addressing
20 parking, height, density, environmental impact, and compatibility
21 with the existing surrounding property and such other amenities as
22 will attract and keep permanent residents and that will properly
23 enhance the livability of the residential targeted area in which they
24 are to be located.

25 (6) (a) The governing authority may adopt and implement, either as
26 conditions to eight-year exemptions or as conditions to an extended
27 exemption period under RCW 84.14.020(1)(a)(ii) (B) or (C), or as
28 conditions to any combination of exemptions authorized under this
29 chapter, more stringent income eligibility, rent, or sale price
30 limits, including limits that apply to a higher percentage of units,
31 than the minimum conditions for an extended exemption period under
32 RCW 84.14.020(1)(a)(ii) (B) or (C).

33 (b) Additionally, a governing authority may adopt and implement
34 as a contractual prerequisite to any exemption granted pursuant to
35 RCW 84.14.020:

36 (i) A requirement that applicants pay at least the prevailing
37 rate of hourly wage established under chapter 39.12 RCW for journey
38 level and apprentice workers on residential and commercial
39 construction;

- 1 (ii) Payroll record requirements consistent with RCW
2 39.12.120(1);
- 3 (iii) Apprenticeship utilization requirements consistent with RCW
4 39.04.310; and
- 5 (iv) A contracting inclusion plan developed in consultation with
6 the office of minority and women's business enterprises.
- 7 (7) For any multiunit housing located in an unincorporated area
8 of a county, a property owner seeking tax incentives under this
9 chapter must commit to renting or selling at least ~~((twenty))~~ 20
10 percent of the multifamily housing units as affordable housing units
11 to low and moderate-income households. In the case of multiunit
12 housing intended exclusively for owner occupancy, the minimum
13 requirement of this subsection (7) may be satisfied solely through
14 housing affordable to moderate-income households.
- 15 (8) Nothing in this section prevents a governing authority from
16 adopting and implementing additional requirements to any exemption
17 granted under RCW 84.14.020.

18 **Sec. 2.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to read
19 as follows:

20 (1) The duly authorized administrative official or committee of
21 the city or county may approve the application if it finds that:

22 (a) A minimum of four new units are being constructed or in the
23 case of occupied rehabilitation or conversion a minimum of four
24 additional multifamily units are being developed;

25 (b) If applicable, the proposed multiunit housing project meets
26 the affordable housing requirements as described in RCW 84.14.020;

27 (c) The proposed project is or will be, at the time of
28 completion, in conformance with all local plans and regulations that
29 apply at the time the application is approved;

30 (d) The owner has complied with all standards and guidelines
31 adopted by the city or county under this chapter; and

32 (e) The site is located in a residential targeted area of an
33 urban center or urban growth area that has been designated by the
34 governing authority in accordance with procedures and guidelines
35 indicated in RCW 84.14.040.

36 (2) An application may not be approved after July 1, 2007, if any
37 part of the proposed project site is within a campus facilities
38 master plan(~~(, except as provided in RCW 84.14.040(1)(d))~~).

1 (3) An application may not be approved for a residential targeted
2 area in a rural county on or after January 1, 2020.

3 NEW SECTION. **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply
4 to this act.

--- END ---