

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SECOND SUBSTITUTE SENATE BILL 6175**

68th Legislature  
2024 Regular Session

Passed by the Senate March 6, 2024  
Yeas 46 Nays 1

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**President of the Senate**

Passed by the House March 5, 2024  
Yeas 94 Nays 2

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**Speaker of the House of  
Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 6175** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SECOND SUBSTITUTE SENATE BILL 6175**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Trudeau, Billig, Frame, Kuderer, Mullet, Nguyen, Nobles, Randall, Saldaña, Valdez, and C. Wilson)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to housing affordability tax incentives for  
2 existing structures; amending RCW 84.14.010; adding a new chapter to  
3 Title 82 RCW; and providing expiration dates.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) Many cities in Washington are actively planning for growth  
7 under the growth management act, chapter 36.70A RCW, and through tax  
8 incentives, the private market can assist Washington in meeting its  
9 housing goals;

10 (2) Many downtown centers lack available affordable housing,  
11 which results in long commutes that increase greenhouse gas emissions  
12 and by using existing buildings to create affordable housing units,  
13 units can be available more quickly and with a reduced impact on  
14 waste streams and the environment compared to newly constructed  
15 units;

16 (3) The construction industry provides living wage jobs for  
17 families across Washington;

18 (4) In the current economic climate, the creation of additional  
19 affordable housing units is essential to the economic health of our  
20 cities and our state;

1 (5) It is critical that Washington state promote its cities and  
2 its property owners that will provide affordable housing;

3 (6) Constructing new housing units can take years, and many  
4 existing buildings can be repurposed quickly to meet the state's  
5 workforce and affordable housing needs;

6 (7) Many existing buildings are located in downtown centers, near  
7 work and services where there is limited land available for new  
8 construction;

9 (8) In downtowns across the state, there is a high level of open  
10 commercial space, which will likely remain, due to changes in how  
11 businesses use office space following the COVID-19 pandemic;

12 (9) A meaningful, fair, and predictable economic incentive should  
13 be created to stimulate the redevelopment of underutilized commercial  
14 property in targeted urban areas through a limited sales and use tax  
15 deferral program as provided by this chapter; and

16 (10) This limited tax deferral will help the owners achieve the  
17 highest and best use of land and enable cities to more fully realize  
18 their planning goals.

19 NEW SECTION. **Sec. 2.** It is the purpose of this chapter to  
20 encourage the redevelopment of underutilized commercial property in  
21 targeted urban areas, thereby increasing affordable housing,  
22 employment opportunities, and helping accomplish the other planning  
23 goals of Washington cities. The legislative authorities of cities to  
24 which this chapter applies may authorize a sales and use tax deferral  
25 for an investment project within the city if the legislative  
26 authority of the city finds that there are significant areas of  
27 underutilized commercial property and a lack of affordable housing in  
28 areas proximate to the land. If a conditional recipient maintains the  
29 property for qualifying purposes for at least 10 years, deferred  
30 sales and use taxes need not be repaid.

31 NEW SECTION. **Sec. 3.** The definitions in this section apply  
32 throughout this chapter unless the context clearly requires  
33 otherwise.

34 (1) "Affordable housing" means:

35 (a) Homeownership housing intended for owner occupancy to low-  
36 income households whose monthly housing costs, including utilities  
37 other than telephone, do not exceed 30 percent of the household's  
38 monthly income;

1 (b) "Rental housing" for low-income households whose monthly  
2 housing costs, including utilities other than telephone, do not  
3 exceed 30 percent of the household's monthly income.

4 (2) "Applicant" means an owner of commercial property.

5 (3) "City" means any city or town, including a code city.

6 (4) "Conditional recipient" means an owner of commercial property  
7 granted a conditional certificate of program approval under this  
8 chapter, which includes any successor owner of the property.

9 (5) "Eligible investment project" means an investment project  
10 that is located in a city and receiving a conditional certificate of  
11 program approval.

12 (6) "Governing authority" means the local legislative authority  
13 of a city having jurisdiction over the property for which a deferral  
14 may be granted under this chapter.

15 (7) "Household" means a single person, family, or unrelated  
16 persons living together.

17 (8)(a) "Initiation of construction" means the date that a  
18 building permit is issued under the building code adopted under RCW  
19 19.27.031 for construction of the qualified building, if the  
20 underlying ownership of the building vests exclusively with the  
21 person receiving the economic benefit of the deferral.

22 (b) "Initiation of construction" does not include soil testing,  
23 site clearing and grading, site preparation, or any other related  
24 activities that are initiated before the issuance of a building  
25 permit for the construction of the foundation of the building.

26 (c) If the investment project is a phased project, "initiation of  
27 construction" applies separately to each phase.

28 (9) "Investment project" means an investment in multifamily  
29 housing, including labor, services, and materials incorporated in the  
30 planning, installation, and construction of the project. "Investment  
31 project" includes investment in related facilities such as  
32 playgrounds and sidewalks as well as facilities used for business use  
33 for mixed-use development.

34 (10) "Low-income household" means a single person, family, or  
35 unrelated persons living together whose adjusted income is at or  
36 below 80 percent of the median family income adjusted for family  
37 size, for the county, city, or metropolitan statistical area, where  
38 the project is located, as reported by the United States department  
39 of housing and urban development.

1 (11) "Multifamily housing" means a building or a group of  
2 buildings having four or more dwelling units not designed or used as  
3 transient accommodations and not including hotels and motels.  
4 Multifamily units may result from rehabilitation or conversion of  
5 vacant, underutilized, or substandard buildings to multifamily  
6 housing.

7 (12) "Owner" means the property owner of record.

8 (13) "Underutilized commercial property" means an entire  
9 property, or portion thereof, currently used or intended to be used  
10 by a business for retailing or office-related or administrative  
11 activities. If the property is used partly for a qualifying use and  
12 partly for other purposes, the applicable tax deferral must be  
13 determined by apportionment of the costs of construction under rules  
14 adopted by the department. For the purposes of this subsection,  
15 "qualifying use" means used or intended to be used by a business for  
16 retailing or office-related or administrative activities.

17 NEW SECTION. **Sec. 4.** (1) For the purpose of creating a sales  
18 and use tax deferral program for conversion of a commercial building  
19 to provide affordable housing under this chapter, the governing  
20 authority must adopt a resolution of intention to create a sales and  
21 use tax deferral program as generally described in the resolution.  
22 The resolution must state the time and place of a hearing to be held  
23 by the governing authority to consider the creation of the tax  
24 deferral program and may include such other information pertaining to  
25 the creation of the deferral program as the governing authority  
26 determines to be appropriate to apprise the public of the action  
27 intended. However, the resolution must provide information pertaining  
28 to:

- 29 (a) The application process;  
30 (b) The approval process;  
31 (c) The appeals process for applications denied approval; and  
32 (d) Additional requirements, conditions, and obligations that  
33 must be followed postapproval of an application.

34 (2) The governing authority must give notice of a hearing held  
35 under this chapter by publication of the notice once each week for  
36 two consecutive weeks, not less than seven days, nor more than 30  
37 days before the date of the hearing in a paper having a general  
38 circulation in the city. The notice must state the time, date, place,  
39 and purpose of the hearing.

1 (3) Following the hearing or a continuance of the hearing, the  
2 governing authority may authorize the creation of the program.

3 NEW SECTION. **Sec. 5.** An owner of underutilized commercial  
4 property seeking a sales and use tax deferral for conversion of a  
5 commercial building to provide affordable housing under this chapter  
6 on an investment project must complete the following procedures:

7 (1) The owner must apply to the city on forms adopted by the  
8 governing authority. The application must contain the following:

9 (a) Information setting forth the grounds supporting the  
10 requested deferral including information indicated on the application  
11 form or in the guidelines;

12 (b) A description of the investment project and site plan, and  
13 other information requested;

14 (c) A statement of the expected number of affordable housing  
15 units to be created;

16 (d) A statement that the applicant is aware of the potential tax  
17 liability involved if the investment project ceases to be used for  
18 eligible uses under this chapter;

19 (e) A statement that the applicant is aware that the investment  
20 project must be completed within three years from the date of  
21 approval of the application;

22 (f) A statement that the applicant is aware that the governing  
23 authority or the city official authorized by the governing authority  
24 may extend the deadline for completion of construction or  
25 rehabilitation for a period not to exceed 24 consecutive months; and

26 (g) A statement that the applicant would not have built in this  
27 location but for the availability of the tax deferral under this  
28 chapter;

29 (2) The applicant must verify the application by oath or  
30 affirmation; and

31 (3) The application must be accompanied by the application fee,  
32 if any, required under this chapter. The duly authorized  
33 administrative official or committee of the city may permit the  
34 applicant to revise an application before final action by the duly  
35 authorized administrative official or committee of the city.

36 NEW SECTION. **Sec. 6.** The duly authorized administrative  
37 official or committee of the city may approve the application and  
38 grant a conditional certificate of program approval if it finds that:

1 (1) (a) The investment project is set aside primarily for  
2 multifamily housing units and the applicant commits to renting or  
3 selling at least 10 percent of the units as affordable housing to  
4 low-income households. In a mixed use project, only the ground floor  
5 of a building may be used for commercial purposes with the remainder  
6 dedicated to multifamily housing units; and

7 (b) The applicant commits to any additional affordability and  
8 income eligibility conditions adopted by the local government under  
9 this chapter not otherwise inconsistent with this chapter;

10 (2) The investment project is, or will be, at the time of  
11 completion, in conformance with all local plans and regulations that  
12 apply at the time the application is approved;

13 (3) The investment project will occur on land that constitutes,  
14 at the time of application, underutilized commercial property;

15 (4) The area where the investment project will occur is located  
16 within an area zoned for residential or mixed uses;

17 (5) The terms and conditions of the implementation of the  
18 development meets the requirements of this chapter and any  
19 requirements of the city that are not otherwise inconsistent with  
20 this chapter;

21 (6) The land where the investment project will occur was not  
22 acquired through a condemnation proceeding under Title 8 RCW; and

23 (7) All other requirements of this chapter have been satisfied as  
24 well as any other requirements of the city that are not otherwise  
25 inconsistent with this chapter.

26 NEW SECTION. **Sec. 7.** (1) The duly authorized administrative  
27 official or committee of the city must approve or deny an application  
28 filed under this chapter within 90 days after receipt of the  
29 application.

30 (2) If the application is approved, the city must issue the  
31 applicant a conditional certificate of program approval. The  
32 certificate must contain a statement by a duly authorized  
33 administrative official of the governing authority that the  
34 investment project as described in the application will comply with  
35 the required criteria of this chapter.

36 (3) If the application is denied by the city, the city must state  
37 in writing the reasons for denial and send the notice to the  
38 applicant at the applicant's last known address within 10 days of the  
39 denial.

1 (4) Upon denial by the city, an applicant may appeal the denial  
2 to the city's governing authority or a city official designated by  
3 the city to hear such appeals within 30 days after receipt of the  
4 denial. The appeal before the city's governing authority or  
5 designated city official must be based upon the record made before  
6 the city with the burden of proof on the applicant to show that there  
7 was no substantial evidence to support the city's decision. The  
8 decision of the city on the appeal is final.

9 NEW SECTION. **Sec. 8.** The governing authority may establish an  
10 application fee. This fee may not exceed an amount determined to be  
11 required to cover the cost to be incurred by the governing authority  
12 in administering the program under this chapter. The application fee  
13 must be paid at the time the application for program approval is  
14 filed.

15 NEW SECTION. **Sec. 9.** (1) Within 30 days of the issuance of a  
16 certificate of occupancy for an eligible investment project, the  
17 conditional recipient must file with the city the following:

18 (a) A description of the work that has been completed and a  
19 statement that the eligible investment project qualifies the property  
20 for a sales and use tax deferral under this chapter;

21 (b) A statement of the new affordable housing to be offered as a  
22 result of the conversion of underutilized commercial property to  
23 multifamily housing; and

24 (c) A statement that the work has been completed within three  
25 years of the issuance of the conditional certificate of program  
26 approval.

27 (2) Within 30 days after receipt of the statements required under  
28 subsection (1) of this section, the city must determine and notify  
29 the conditional recipient as to whether the work completed and the  
30 affordable housing to be offered are consistent with the application  
31 and the contract approved by the city, and the investment project  
32 continues to qualify for a tax deferral under this chapter. The  
33 conditional recipient must notify the department within 30 days from  
34 receiving the city's determination to report the project is  
35 operationally complete so the department can certify the project and  
36 determine the qualifying deferred taxes. The department must  
37 determine the amount of sales and use taxes qualifying for the  
38 deferral. If the department determines that purchases were not



1 eligible for deferral it must assess interest, but not penalties, on  
2 the nonqualifying amounts.

3 (3) The city must notify the conditional recipient within 30 days  
4 that a tax deferral under this chapter is denied if the city  
5 determines that:

6 (a) The work was not completed within three years of the  
7 application date;

8 (b) The work was not constructed consistent with the application  
9 or other applicable requirements;

10 (c) The affordable housing units to be offered are not consistent  
11 with the application and criteria of this chapter; or

12 (d) The owner's property is otherwise not qualified for a sales  
13 and use tax deferral under this chapter.

14 (4) If the city finds that the work was not completed within the  
15 required time period due to circumstances beyond the control of the  
16 conditional recipient and that the conditional recipient has been  
17 acting and could reasonably be expected to act in good faith and with  
18 due diligence, the governing authority may extend the deadline for  
19 completion of the work for a period not to exceed 24 consecutive  
20 months, and must notify the department of the extension.

21 (5) The city's governing authority may enact an ordinance to  
22 provide a process for a conditional recipient to appeal a decision by  
23 the city that the conditional recipient is not entitled to a deferral  
24 of sales and use taxes. The conditional recipient may appeal a  
25 decision by the city to deny a deferral of sales and use taxes in  
26 superior court under RCW 34.05.510 through 34.05.598, if the appeal  
27 is filed within 30 days of notification by the city to the  
28 conditional recipient.

29 (6) A city denying a conditional recipient of a sales and use tax  
30 deferral under subsection (3) of this section must notify the  
31 department and taxes deferred under this chapter are immediately due  
32 and payable, subject to any appeal by the conditional recipient. The  
33 department must assess interest at the rate provided for delinquent  
34 taxes, but not penalties, retroactively to the date of deferral. A  
35 debt for deferred taxes will not be extinguished by insolvency or  
36 other failure of the recipient.

37 NEW SECTION. **Sec. 10.** (1) Thirty days after the anniversary of  
38 the date of issuance of the certificate of occupancy and each year  
39 thereafter for 10 years, the conditional recipient must file with a

1 designated authorized representative of the city an annual report  
2 indicating the following:

3 (a) A statement of the affordable housing units constructed on  
4 the property as of the anniversary date;

5 (b) A certification by the conditional recipient that the  
6 property has not changed use;

7 (c) A description of changes or improvements constructed after  
8 issuance of the certificate of occupancy; and

9 (d) Any additional information requested by the city.

10 (2) The conditional recipient of a deferral of taxes under this  
11 chapter must file a complete annual tax performance report with the  
12 department pursuant to RCW 82.32.534 beginning the year the  
13 certificate of occupancy is issued and each year thereafter for 10  
14 years.

15 (3) A city that issues a certificate of program approval under  
16 this chapter must report annually by December 31st of each year,  
17 beginning in 2025, to the department of commerce. The report must  
18 include the following information:

19 (a) The number of program approval certificates granted;

20 (b) The total number and type of buildings converted;

21 (c) The number of affordable housing units resulting from the  
22 conversion of underutilized commercial property to multifamily  
23 housing; and

24 (d) The estimated value of the sales and use tax deferral for  
25 each investment project receiving a program approval and the total  
26 estimated value of sales and use tax deferrals granted.

27 NEW SECTION. **Sec. 11.** (1) A conditional recipient must submit  
28 an application to the department before initiation of the  
29 construction of the investment project. In the case of an investment  
30 project involving multiple qualified buildings, applications must be  
31 made for, and before the initiation of construction of, each  
32 qualified building. The application must be made to the department in  
33 a form and manner prescribed by the department. The application must  
34 include a copy of the conditional certificate of program approval  
35 issued by the city, estimated construction costs, time schedules for  
36 completion and operation, and any other information required by the  
37 department. The department must rule on the application within 60  
38 days.

1 (2) The department must provide information to the conditional  
2 recipient regarding documentation that must be retained by the  
3 conditional recipient in order to substantiate the amount of sales  
4 and use tax actually deferred under this chapter.

5 (3) The department may not accept applications for the deferral  
6 under this chapter after June 30, 2034.

7 (4) The application must include a waiver by the conditional  
8 recipient of the four-year limitation under RCW 82.32.100.

9 (5) This section expires July 1, 2034.

10 NEW SECTION. **Sec. 12.** (1) After receiving the conditional  
11 certificate of program approval issued by the city and approval of an  
12 application by the department as provided in section 11(1) of this  
13 act, the department must issue a sales and use tax deferral  
14 certificate for state and local sales and use taxes due under  
15 chapters 82.08, 82.12, 82.14, and 81.104 RCW on each eligible  
16 investment project.

17 (2) The department must keep a running total of all estimated  
18 sales and use tax deferrals provided under this chapter during each  
19 fiscal biennium.

20 (3) The deferral certificate is valid during active construction  
21 of a qualified investment project and expires on the day the city  
22 issues a certificate of occupancy for the investment project for  
23 which a deferral certificate was issued.

24 (4) This section expires July 1, 2034.

25 NEW SECTION. **Sec. 13.** (1) If a conditional recipient  
26 voluntarily opts to discontinue compliance with the requirements of  
27 this chapter, the recipient must notify the city and department  
28 within 60 days of the change in use or intended discontinuance.

29 (2) If, after the department has issued a sales and use tax  
30 deferral certificate and the conditional recipient has received a  
31 certificate of occupancy, the city finds that a portion of an  
32 investment project is changed or will be changed to disqualify the  
33 recipient for sales and use tax deferral eligibility under this  
34 chapter, the city must notify the department and all deferred sales  
35 and use taxes are immediately due and payable. The department must  
36 assess interest at the rate provided for delinquent taxes, but not  
37 penalties, retroactively to the date of deferral. A debt for deferred

1 taxes will not be extinguished by insolvency or other failure of the  
2 recipient.

3 (3) This section does not apply after 10 years from the date of  
4 the certificate of occupancy.

5 NEW SECTION. **Sec. 14.** (1) Transfer of investment project  
6 ownership does not terminate the deferral. The deferral is  
7 transferred subject to the successor meeting the eligibility  
8 requirements of this chapter.

9 (2) The transferor of an eligible project must notify the city  
10 and the department of such transfer. The city must certify to the  
11 department that the successor meets the requirements of the deferral.  
12 The transferor must provide the information necessary for the  
13 department to transfer the deferral. If the transferor fails to  
14 notify the city and the department, all deferred sales and use taxes  
15 are immediately due and payable. The department must assess interest  
16 at the rate provided for delinquent taxes, but not penalties,  
17 retroactively to the date of deferral.

18 NEW SECTION. **Sec. 15.** (1) This section is the tax preference  
19 performance statement for the tax preference contained in  
20 chapter . . ., Laws of 2024 (this act). This performance statement is  
21 only intended to be used for subsequent evaluation of the tax  
22 preference. It is not intended to create a private right of action by  
23 any party or to be used to determine eligibility for preferential tax  
24 treatment.

25 (2) The legislature categorizes this tax preference as one  
26 intended to induce certain designated behavior by taxpayers, as  
27 indicated in RCW 82.32.808(2) (a).

28 (3) It is the legislature's specific public policy objective to  
29 expand affordable housing options for low-income households,  
30 specifically in urban areas where there is underutilized commercial  
31 property.

32 (4) (a) To measure the effectiveness of the tax preference in this  
33 act, the joint legislative audit and review committee must evaluate  
34 the number of increased housing units on underutilized commercial  
35 property. If a review finds that the number of affordable housing  
36 units has not increased, then the legislature intends to repeal this  
37 tax preference.

1 (b) The review must be provided to the fiscal committees of the  
2 legislature by December 31, 2032.

3 (5) In order to obtain the data necessary to perform the review  
4 in subsection (4) of this section, the joint legislative audit and  
5 review committee may refer to any available data source, including  
6 data collected by the department under section 10 of this act.

7 NEW SECTION. **Sec. 16.** An owner of underutilized commercial  
8 property claiming a sales and use tax deferral under this chapter may  
9 also apply for the multiple-unit housing property tax exemption  
10 program under chapter 84.14 RCW. For applicants receiving the  
11 property tax exemption under chapter 84.14 RCW, the amount of  
12 affordable housing units required for eligibility under this chapter  
13 is in addition to the affordability conditions in chapter 84.14 RCW.

14 **Sec. 17.** RCW 84.14.010 and 2021 c 187 s 2 are each amended to  
15 read as follows:

16 The definitions in this section apply throughout this chapter  
17 unless the context clearly requires otherwise.

18 (1) "Affordable housing" means residential housing that is rented  
19 by a person or household whose monthly housing costs, including  
20 utilities other than telephone, do not exceed thirty percent of the  
21 household's monthly income. For the purposes of housing intended for  
22 owner occupancy, "affordable housing" means residential housing that  
23 is within the means of low or moderate-income households.

24 (2) "Campus facilities master plan" means the area that is  
25 defined by the University of Washington as necessary for the future  
26 growth and development of its campus facilities for campuses  
27 authorized under RCW 28B.45.020.

28 (3) "City" means either (a) a city or town with a population of  
29 at least fifteen thousand, (b) the largest city or town, if there is  
30 no city or town with a population of at least fifteen thousand,  
31 located in a county planning under the growth management act, (c) a  
32 city or town with a population of at least five thousand located in a  
33 county subject to the provisions of RCW 36.70A.215, or (d) any city  
34 that otherwise does not meet the qualifications under (a) through (c)  
35 of this subsection, until December 31, 2031, that complies with RCW  
36 84.14.020(1)(a)(iii) or 84.14.021(1)(b).

1           (4) "Conversion" means the conversion of a nonresidential  
2 building, in whole or in part, to multiple-unit housing under this  
3 chapter.

4           (5) "County" means a county with an unincorporated population of  
5 at least 170,000.

6           ~~((5))~~ (6) "Governing authority" means the local legislative  
7 authority of a city or a county having jurisdiction over the property  
8 for which an exemption may be applied for under this chapter.

9           ~~((6))~~ (7) "Growth management act" means chapter 36.70A RCW.

10          ~~((7))~~ (8) "Household" means a single person, family, or  
11 unrelated persons living together.

12          ~~((8))~~ (9) "Low-income household" means a single person, family,  
13 or unrelated persons living together whose adjusted income is at or  
14 below eighty percent of the median family income adjusted for family  
15 size, for the county, city, or metropolitan statistical area, where  
16 the project is located, as reported by the United States department  
17 of housing and urban development.

18          ~~((9))~~ (10) "Moderate-income household" means a single person,  
19 family, or unrelated persons living together whose adjusted income is  
20 more than eighty percent but is at or below one hundred fifteen  
21 percent of the median family income adjusted for family size, for the  
22 county, city, or metropolitan statistical area, where the project is  
23 located, as reported by the United States department of housing and  
24 urban development.

25          ~~((10))~~ (11) "Multiple-unit housing" means a building or a group  
26 of buildings having four or more dwelling units not designed or used  
27 as transient accommodations and not including hotels and motels.  
28 Multifamily units may result from new construction or rehabilitated  
29 or conversion of vacant, underutilized, or substandard buildings to  
30 multifamily housing.

31          ~~((11))~~ (12) "Owner" means the property owner of record.

32          ~~((12))~~ (13) "Permanent residential occupancy" means multiunit  
33 housing that provides either rental or owner occupancy on a  
34 nontransient basis. This includes owner-occupied or rental  
35 accommodation that is leased for a period of at least one month. This  
36 excludes hotels and motels that predominately offer rental  
37 accommodation on a daily or weekly basis.

38          ~~((13))~~ (14) "Rehabilitation improvements" means modifications  
39 to existing structures, that are vacant for twelve months or longer,  
40 that are made to achieve a condition of substantial compliance with

1 existing building codes or modification to existing occupied  
2 structures which increase the number of multifamily housing units.

3 ~~((14))~~ (15) "Residential targeted area" means an area within an  
4 urban center or urban growth area that has been designated by the  
5 governing authority as a residential targeted area in accordance with  
6 this chapter. With respect to designations after July 1, 2007,  
7 "residential targeted area" may not include a campus facilities  
8 master plan.

9 ~~((15))~~ (16) "Rural county" means a county with a population  
10 between fifty thousand and seventy-one thousand and bordering Puget  
11 Sound.

12 ~~((16))~~ (17) "Substantial compliance" means compliance with  
13 local building or housing code requirements that are typically  
14 required for rehabilitation as opposed to new construction.

15 ~~((17))~~ (18) "Urban center" means a compact identifiable  
16 district where urban residents may obtain a variety of products and  
17 services. An urban center must contain:

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

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

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

26 NEW SECTION. **Sec. 18.** Sections 1 through 16 of this act  
27 constitute a new chapter in Title 82 RCW.

--- END ---