H-0062.1

HOUSE BILL 1402

State of Washington 68th Legislature 2023 Regular Session

By Representatives Jacobsen, Griffey, Chapman, Goehner, Volz, Couture, Abbarno, Chambers, and Klicker

- AN ACT Relating to adjusting urban growth boundaries to account 1 2 for situations where property owners have not developed property as 3 expected in comprehensive plans and development regulations; amending 4 36.70A.110 and 36.70A.280; reenacting and amending RCW 5 36.70A.130; and creating a new section.
- Jo. TOA. 130, and creating a new section.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 NEW SECTION. The legislature recognizes the fact that Sec. 1. property owners control how and whether a property is developed. Many 8 cities and counties are facing shortages for land where affordable 9 10 housing can be built because property owners have chosen to leave 11 property undeveloped or developed the land in a manner that is 12 different from the patterns of growth expected when the urban growth 13 boundaries were created. There is an immediate need for urban growth 14 boundaries to be drawn to include land that can be developed to 15 provide affordable housing. The legislature intends to provide cities 16 and counties with an immediate solution to this problem.
- 17 **Sec. 2.** RCW 36.70A.110 and 2022 c 252 s 4 are each amended to 18 read as follows:
- 19 (1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which

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urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city ((only if such territory already is characterized by urban growth)) whether or not the urban growth area includes a city, or is adjacent to territory already characterized by urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350. When a federally recognized Indian tribe whose reservation or ceded lands lie within the county or city has voluntarily chosen to participate in the planning process pursuant to RCW 36.70A.040, the county or city and the tribe shall coordinate their planning efforts for any areas planned for urban growth consistent with the terms outlined in the memorandum of agreement provided for in RCW 36.70A.040(8).

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding ((twenty-year)) 20-year period, except for those urban growth areas contained totally within a national historical reserve. As part of this planning process, each city within the county must include areas sufficient to accommodate the broad range of needs and uses that will accompany the projected urban growth including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as determined to be necessary and appropriate to protect the physical, cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining this market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to make many choices about accommodating growth.

((Within one year of July 1, 1990, each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin

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consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located within its boundaries. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.))

- (3) Urban growth should be located first in areas already characterized by urban growth that have adequate existing public facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources, and third in the remaining portions of the urban growth areas. Urban growth may also be located in designated new fully contained communities as defined by RCW 36.70A.350.
- (4) If there are properties or areas within urban growth boundaries or cities that are in flood plains or remain undeveloped or underdeveloped after 20 years, the county or city may assume that those properties or areas will not be developed as expected in the development regulations or comprehensive plan and expand the urban growth boundary to include more buildable land to satisfy projected need.
- (5) In general, cities are the units of local government most appropriate to provide urban governmental services. In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development.

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(((5) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and under this section. Such action may be appealed to the growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.))

- (6) Each county shall include designations of urban growth areas in its comprehensive plan.
- (7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.
- (8)(a) Except as provided in (b) of this subsection, the expansion of an urban growth area is prohibited into the ((one hundred year)) 100-year floodplain of any river or river segment that: (i) Is located west of the crest of the Cascade mountains; and (ii) has a mean annual flow of ((one thousand)) 1,000 or more cubic feet per second as determined by the department of ecology.
 - (b) Subsection (8)(a) of this section does not apply to:
- (i) Urban growth areas that are fully contained within a floodplain and lack adjacent buildable areas outside the floodplain;
- (ii) Urban growth areas where expansions are precluded outside floodplains because:
 - (A) Urban governmental services cannot be physically provided to serve areas outside the floodplain; or
- (B) Expansions outside the floodplain would require a river or estuary crossing to access the expansion; or
 - (iii) Urban growth area expansions where:
- (A) Public facilities already exist within the floodplain and the expansion of an existing public facility is only possible on the land

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1 to be included in the urban growth area and located within the 2 floodplain; or

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- (B) Urban development already exists within a floodplain as of July 26, 2009, and is adjacent to, but outside of, the urban growth area, and the expansion of the urban growth area is necessary to include such urban development within the urban growth area; or
- (C) The land is owned by a jurisdiction planning under this chapter or the rights to the development of the land have been permanently extinguished, and the following criteria are met:
- (I) The permissible use of the land is limited to one of the following: Outdoor recreation; environmentally beneficial projects, including but not limited to habitat enhancement or environmental restoration; stormwater facilities; flood control facilities; or underground conveyances; and
- (II) The development and use of such facilities or projects will not decrease flood storage, increase stormwater runoff, discharge pollutants to fresh or salt waters during normal operations or floods, or increase hazards to people and property.
 - (c) For the purposes of this subsection (8), (("one hundred year)) "100-year floodplain" means the same as "special flood hazard area" as set forth in WAC 173-158-040 as it exists on July 26, 2009.
 - (9) If a county, city, or utility has adopted a capital facility plan or utilities element to provide sewer service within the urban growth areas during the ((twenty-year)) 20-year planning period, nothing in this chapter obligates counties, cities, or utilities to install sanitary sewer systems to properties within urban growth areas designated under subsection (2) of this section by the end of the ((twenty-year)) 20-year planning period when those properties:
- 29 (a)(i) Have existing, functioning, nonpolluting on-site sewage 30 systems;
- 31 (ii) Have a periodic inspection program by a public agency to 32 verify the on-site sewage systems function properly and do not 33 pollute surface or groundwater; and
 - (iii) Have no redevelopment capacity; or
- 35 (b) Do not require sewer service because development densities 36 are limited due to wetlands, floodplains, fish and wildlife habitats, 37 or geological hazards.
- 38 **Sec. 3.** RCW 36.70A.130 and 2022 c 287 s 1 and 2022 c 192 s 1 are 39 each reenacted and amended to read as follows:

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(1) (a) Each comprehensive land use plan and development regulations shall be subject to continuing review and evaluation by the county or city that adopted them. Except as otherwise provided, a county or city shall take legislative action to review and, if needed, revise its comprehensive land use plan and development regulations to ensure the plan and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section.

- (b) Except as otherwise provided, a county or city not planning under RCW 36.70A.040 shall take action to review and, if needed, revise its policies and development regulations regarding critical areas and natural resource lands adopted according to this chapter to ensure these policies and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section. Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor.
- (c) The review and evaluation required by this subsection shall include, but is not limited to, consideration of critical area ordinances and, if planning under RCW 36.70A.040, an analysis of the population allocated to a city or county from the most recent (($\frac{100}{100}$)) $\frac{10-100}{100}$ population forecast by the office of financial management.
- (d) Any amendment of or revision to a comprehensive land use plan shall conform to this chapter. Any amendment of or revision to development regulations shall be consistent with and implement the comprehensive plan.
- (2) (a) Each county and city shall establish and broadly disseminate to the public a public participation program consistent with RCW 36.70A.035 and 36.70A.140 that identifies procedures and schedules whereby updates, proposed amendments, or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. "Updates" means to review and revise, if needed, according to subsection (1) of this section, and the deadlines in subsections (4) and (5) of this section or in accordance with the provisions of subsection (6) of this section. Amendments may be considered more frequently than once per year under the following circumstances:

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(i) The initial adoption of a subarea plan. Subarea plans adopted under this subsection (2)(a)(i) must clarify, supplement, or implement jurisdiction-wide comprehensive plan policies, and may only be adopted if the cumulative impacts of the proposed plan are addressed by appropriate environmental review under chapter 43.21C RCW;

- (ii) The development of an initial subarea plan for economic development located outside of the ((one hundred year)) 100-year floodplain in a county that has completed a state-funded pilot project that is based on watershed characterization and local habitat assessment;
- (iii) The adoption or amendment of a shoreline master program under the procedures set forth in chapter 90.58 RCW;
- (iv) The amendment of the capital facilities element of a comprehensive plan that occurs concurrently with the adoption or amendment of a county or city budget; or
- (v) The adoption of comprehensive plan amendments necessary to enact a planned action under RCW 43.21C.440, provided that amendments are considered in accordance with the public participation program established by the county or city under this subsection (2)(a) and all persons who have requested notice of a comprehensive plan update are given notice of the amendments and an opportunity to comment.
- (b) Except as otherwise provided in (a) of this subsection, all proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, after appropriate public participation a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists or to resolve an appeal of a comprehensive plan filed with the growth management hearings board or with the court.
- (3) (a) Each county that designates urban growth areas under RCW 36.70A.110 shall review, according to the schedules established in subsections (4) and (5) of this section, its designated urban growth area or areas, patterns of development occurring within the urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth

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occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

- (b) The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding ((twenty-year)) 20-year period while making adjustments for properties or areas that are undeveloped, underdeveloped, or in the flood plain. The review required by this subsection may be combined with the review and evaluation required by RCW 36.70A.215.
- (c) If, during the county's review under (a) of this subsection, the county determines revision of the urban growth area is not required to accommodate the urban growth projected to occur in the county for the succeeding 20-year period, but does determine that patterns of development have created pressure in areas that exceed available, developable lands within the urban growth area, the urban growth area or areas may be revised to accommodate identified patterns of development and likely future development pressure for the succeeding 20-year period if the following requirements are met:
- (i) The revised urban growth area may not result in an increase in the total surface areas of the urban growth area or areas;
 - (ii) The areas added to the urban growth area are not or have not been designated as agricultural, forest, or mineral resource lands of long-term commercial significance;
 - (iii) Less than 15 percent of the areas added to the urban growth area are critical areas;
- 28 (iv) The areas added to the urban growth areas are suitable for 29 urban growth;
 - (v) The transportation element and capital facility plan element have identified the transportation facilities, and public facilities and services needed to serve the urban growth area and the funding to provide the transportation facilities and public facilities and services;
 - (vi) The urban growth area is not larger than needed to accommodate the growth planned for the succeeding 20-year planning period and a reasonable land market supply factor;
- (vii) The areas removed from the urban growth area do not include urban growth or urban densities; and

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1 (viii) The revised urban growth area is contiguous, does not 2 include holes or gaps, and will not increase pressures to urbanize 3 rural or natural resource lands.

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- (4) Except as otherwise provided in subsections (6) and (8) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:
- 9 (a) On or before June 30, 2015, for King, Pierce, and Snohomish counties and the cities within those counties;
 - (b) On or before June 30, 2016, for Clallam, Clark, Island, Jefferson, Kitsap, Mason, San Juan, Skagit, Thurston, and Whatcom counties and the cities within those counties;
 - (c) On or before June 30, 2017, for Benton, Chelan, Cowlitz, Douglas, Kittitas, Lewis, Skamania, Spokane, and Yakima counties and the cities within those counties; and
- 17 (d) On or before June 30, 2018, for Adams, Asotin, Columbia, 18 Ferry, Franklin, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, 19 Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and 20 Whitman counties and the cities within those counties.
 - (5) Except as otherwise provided in subsections (6) and (8) of this section, following the review of comprehensive plans and development regulations required by subsection (4) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:
 - (a) On or before December 31, 2024, with the following review and, if needed, revision on or before June 30, 2034, and then every ((ten)) 10 years thereafter, for King, Kitsap, Pierce, and Snohomish counties and the cities within those counties;
- 32 (b) On or before June 30, 2025, and every ((ten)) 10 years 33 thereafter, for Clallam, Clark, Island, Jefferson, Lewis, Mason, San 34 Juan, Skagit, Thurston, and Whatcom counties and the cities within 35 those counties;
- 36 (c) On or before June 30, 2026, and every ((ten)) 10 years
 37 thereafter, for Benton, Chelan, Cowlitz, Douglas, Franklin, Kittitas,
 38 Skamania, Spokane, Walla Walla, and Yakima counties and the cities
 39 within those counties; and

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(d) On or before June 30, 2027, and every ((ten)) 10 years thereafter, for Adams, Asotin, Columbia, Ferry, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, and Whitman counties and the cities within those counties.

- (6)(a) Nothing in this section precludes a county or city from conducting the review and evaluation required by this section before the deadlines established in subsections (4) and (5) of this section. Counties and cities may begin this process early and may be eligible for grants from the department, subject to available funding, if they elect to do so.
- (b) A county that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the ((twenty-four)) 24 months following the deadline established in subsection (5) of this section: The county has a population of less than ((fifty thousand)) 50,000 and has had its population increase by no more than ((seventeen)) 17 percent in the ((ten)) 10 years preceding the deadline established in subsection (5) of this section as of that date.
- (c) A city that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the ((twenty-four)) 24 months following the deadline established in subsection (5) of this section: The city has a population of no more than ((five-thousand)) 5,000 and has had its population increase by the greater of either no more than ((tone)) 100 persons or no more than (tone) 100 years preceding the deadline established in subsection (5) of this section as of that date.
- (d) State agencies are encouraged to provide technical assistance to the counties and cities in the review of critical area ordinances, comprehensive plans, and development regulations.
- (7) (a) The requirements imposed on counties and cities under this section shall be considered "requirements of this chapter" under the terms of RCW 36.70A.040(1). Only those counties and cities that meet the following criteria may receive grants, loans, pledges, or financial guarantees under chapter 43.155 or 70A.135 RCW:
 - (i) Complying with the deadlines in this section; or

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(ii) Demonstrating substantial progress towards compliance with the schedules in this section for development regulations that protect critical areas.

- (b) A county or city that is fewer than ((twelve)) 12 months out of compliance with the schedules in this section for development regulations that protect critical areas is making substantial progress towards compliance. Only those counties and cities in compliance with the schedules in this section may receive preference for grants or loans subject to the provisions of RCW 43.17.250.
- (8) (a) Except as otherwise provided in (c) of this subsection, if a participating watershed is achieving benchmarks and goals for the protection of critical areas functions and values, the county is not required to update development regulations to protect critical areas as they specifically apply to agricultural activities in that watershed.
- (b) A county that has made the election under RCW 36.70A.710(1) may only adopt or amend development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed if:
- (i) A work plan has been approved for that watershed in accordance with RCW 36.70A.725;
- (ii) The local watershed group for that watershed has requested the county to adopt or amend development regulations as part of a work plan developed under RCW 36.70A.720;
- (iii) The adoption or amendment of the development regulations is necessary to enable the county to respond to an order of the growth management hearings board or court;
- (iv) The adoption or amendment of development regulations is necessary to address a threat to human health or safety; or
- 30 (v) Three or more years have elapsed since the receipt of 31 funding.
 - (c) Beginning ((ten)) 10 years from the date of receipt of funding, a county that has made the election under RCW 36.70A.710(1) must review and, if necessary, revise development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed in accordance with the review and revision requirements and timeline in subsection (5) of this section. This subsection (8)(c) does not apply to a participating watershed that has determined under RCW 36.70A.720(2)(c)(ii) that the watershed's goals and benchmarks for protection have been met.

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- 1 (9) (a) Counties subject to planning deadlines established in subsection (5) of this section that are required or that choose to 2 plan under RCW 36.70A.040 and that meet either criteria of (a)(i) or 3 (ii) of this subsection, and cities with a population of more than 4 6,000 as of April 1, 2021, within those counties, must provide to the 5 6 department an implementation progress report detailing the progress they have achieved in implementing their comprehensive plan five 7 years after the review and revision of their comprehensive plan. Once 8 a county meets the criteria in (a)(i) or (ii) of this subsection, the 9 10 implementation progress report requirements remain thereafter for that county and the cities therein with populations 11 greater than 6,000 as of April 1, 2021, even if the county later no 12 longer meets either or both criteria. A county is subject to the 13 implementation progress report requirement if it meets either of the 14 15 following criteria on or after April 1, 2021:
- 16 (i) The county has a population density of at least 100 people 17 per square mile and a population of at least 200,000; or
 - (ii) The county has a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by the office of financial management.
 - (b) The department shall adopt guidelines for indicators, measures, milestones, and criteria for use by counties and cities in the implementation progress report that must cover:
 - (i) The implementation of previously adopted changes to the housing element and any effect those changes have had on housing affordability and availability within the jurisdiction;
 - (ii) Permit processing timelines; and

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- (iii) Progress toward implementing any actions required to achieve reductions to meet greenhouse gas and vehicle miles traveled requirements as provided for in any element of the comprehensive plan under RCW 36.70A.070.
- (c) If a city or county required to provide an implementation progress report under this subsection (9) has not implemented any specifically identified regulations, zoning and land use changes, or taken other legislative or administrative action necessary to implement any changes in the most recent periodic update in their comprehensive plan by the due date for the implementation progress report, the city or county must identify the need for such action in the implementation progress report. Cities and counties must adopt a work plan to implement any necessary regulations, zoning and land use

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- 1 changes, or take other legislative or administrative action
- 2 identified in the implementation progress report and complete all
- 3 work necessary for implementation within two years of submission of
- 4 the implementation progress report.

- **Sec. 4.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to 6 read as follows:
 - (1) The growth management hearings board shall hear and determine only those petitions alleging either:
 - (a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801;
 - (b) That the ((twenty-year)) 20-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;
 - (c) That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;
 - (d) That regulations adopted under RCW 36.70A.735(1)(b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; or
 - (e) That a department certification under RCW 36.70A.735(1)(c) is erroneous.
 - (2) The growth management hearings board is not given authority to hear or determine any petition regarding compliance or validity for adjustments of urban growth boundaries made using the authority provided in RCW 36.70A.110(4).
 - (3) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within ((sixty)) 60 days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.

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 $((\frac{3}{2}))$ $\underline{(4)}$ For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.

((+4)) (5) To establish participation standing under subsection ((+2)) (3) (b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

((+5))) (6) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ((ten)) 10 working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

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