

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5254

Chapter 16, Laws of 2017

65th Legislature
2017 3rd Special Session

GROWTH MANAGEMENT ACT--BUILDABLE LANDS--HOMELESS HOUSING FUNDING

EFFECTIVE DATE: PENDING

Passed by the Senate June 29, 2017
Yeas 47 Nays 2

CYRUS HABIB

President of the Senate

Passed by the House June 29, 2017
Yeas 85 Nays 9

FRANK CHOPP

Speaker of the House of Representatives

Approved July 6, 2017 2:37 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5254** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

July 7, 2017

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5254

Passed Legislature - 2017 3rd Special Session

State of Washington 65th Legislature 2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Fain, Palumbo, Zeiger, Angel, Hobbs, and Mullet)

READ FIRST TIME 03/22/17.

1 AN ACT Relating to ensuring adequacy of buildable lands and
2 zoning in urban growth areas and providing funding for low-income
3 housing and homelessness programs; amending RCW 36.70A.115,
4 36.70A.215, 36.70A.070, 36.22.179, 82.46.037, and 43.21C.440; adding
5 a new section to chapter 36.70A RCW; and providing an expiration
6 date.

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

8 **Sec. 1.** RCW 36.70A.115 and 2009 c 121 s 3 are each amended to
9 read as follows:

10 (1) Counties and cities that are required or choose to plan under
11 RCW 36.70A.040 shall ensure that, taken collectively, adoption of and
12 amendments to their comprehensive plans and/or development
13 regulations provide sufficient capacity of land suitable for
14 development within their jurisdictions to accommodate their allocated
15 housing and employment growth, including the accommodation of, as
16 appropriate, the medical, governmental, educational, institutional,
17 commercial, and industrial facilities related to such growth, as
18 adopted in the applicable countywide planning policies and consistent
19 with the twenty-year population forecast from the office of financial
20 management.

1 (2) This analysis shall include the reasonable measures findings
2 developed under RCW 36.70A.215, if applicable to such counties and
3 cities.

4 **Sec. 2.** RCW 36.70A.215 and 2011 c 353 s 3 are each amended to
5 read as follows:

6 (1) Subject to the limitations in subsection (~~(+7)~~) (5) of this
7 section, a county shall adopt, in consultation with its cities,
8 countywide planning policies to establish a review and evaluation
9 program. This program shall be in addition to the requirements of RCW
10 36.70A.110, 36.70A.130, and 36.70A.210. In developing and
11 implementing the review and evaluation program required by this
12 section, the county and its cities shall consider information from
13 other appropriate jurisdictions and sources. The purpose of the
14 review and evaluation program shall be to:

15 (a) Determine whether a county and its cities are achieving urban
16 densities within urban growth areas by comparing growth and
17 development assumptions, targets, and objectives contained in the
18 countywide planning policies and the county and city comprehensive
19 plans with actual growth and development that has occurred in the
20 county and its cities; and

21 (b) Identify reasonable measures, other than adjusting urban
22 growth areas, that will be taken to comply with the requirements of
23 this chapter. Reasonable measures are those actions necessary to
24 reduce the differences between growth and development assumptions and
25 targets contained in the countywide planning policies and the county
26 and city comprehensive plans with actual development patterns. The
27 reasonable measures process in subsection (3) of this section shall
28 be used as part of the next comprehensive plan update to reconcile
29 inconsistencies.

30 (2) The review and evaluation program shall:

31 (a) Encompass land uses and activities both within and outside of
32 urban growth areas and provide for annual collection of data on urban
33 and rural land uses, development, zoning and development standards,
34 environmental regulations including but not limited to critical
35 areas, stormwater, shoreline, and tree retention requirements; and
36 capital facilities (~~(to the extent necessary)~~) to determine the
37 quantity and type of land suitable for development, both for
38 residential and employment-based activities;

1 (b) Provide for evaluation of the data collected under (a) of
2 this subsection as provided in subsection (3) of this section. The
3 evaluation shall be completed no later than ~~((one))~~ three years prior
4 to the deadline for review and, if necessary, update of comprehensive
5 plans and development regulations as required by RCW 36.70A.130. For
6 comprehensive plans required to be updated before 2024, the
7 evaluation as provided in subsection (3) of this section shall be
8 completed no later than two years prior to the deadline for review
9 and, if necessary, update of comprehensive plans. The county and its
10 cities may establish in the countywide planning policies indicators,
11 benchmarks, and other similar criteria to use in conducting the
12 evaluation;

13 (c) Provide for methods to resolve disputes among jurisdictions
14 relating to the countywide planning policies required by this section
15 and procedures to resolve inconsistencies in collection and analysis
16 of data; and

17 ~~((Provide for the amendment of the countywide policies and~~
18 ~~county and city comprehensive plans as needed to remedy an~~
19 ~~inconsistency identified through the evaluation required by this~~
20 ~~section, or to bring these policies into compliance with the~~
21 ~~requirements of this chapter.)) Develop reasonable measures to use in
22 reducing the differences between growth and development assumptions
23 and targets contained in the countywide planning policies and county
24 and city comprehensive plans, with the actual development patterns.
25 The reasonable measures shall be adopted, if necessary, into the
26 countywide planning policies and the county or city comprehensive
27 plans and development regulations during the next scheduled update of
28 the plans.~~

29 (3) At a minimum, the evaluation component of the program
30 required by subsection (1) of this section shall:

31 (a) Determine whether there is sufficient suitable land to
32 accommodate the countywide population projection established for the
33 county pursuant to RCW 43.62.035 and the subsequent population
34 allocations within the county and between the county and its cities
35 and the requirements of RCW 36.70A.110(~~(+~~

36 ~~b))~~). The zoned capacity of land alone is not a sufficient
37 standard to deem land suitable for development or redevelopment
38 within the twenty-year planning period;

39 (b) An evaluation and identification of land suitable for
40 development or redevelopment shall include:

1 (i) A review and evaluation of the land use designation and
2 zoning/development regulations; environmental regulations (such as
3 tree retention, stormwater, or critical area regulations) impacting
4 development; and other regulations that could prevent assigned
5 densities from being achieved; infrastructure gaps (including but not
6 limited to transportation, water, sewer, and stormwater); and

7 (ii) Use of a reasonable land market supply factor when
8 evaluating land suitable to accommodate new development or
9 redevelopment of land for residential development and employment
10 activities. The reasonable market supply factor identifies reductions
11 in the amount of land suitable for development and redevelopment. The
12 methodology for conducting a reasonable land market factor shall be
13 determined through the guidance developed in section 3 of this act;

14 (c) Provide an analysis of county and/or city development
15 assumptions, targets, and objectives contained in the countywide
16 planning policies and the county and city comprehensive plans when
17 growth targets and assumptions are not being achieved. It is not
18 appropriate to make a finding that assumed growth contained in the
19 countywide planning policies and the county or city comprehensive
20 plan will occur at the end of the current comprehensive planning
21 twenty-year planning cycle without rationale;

22 (d) Determine the actual density of housing that has been
23 constructed and the actual amount of land developed for commercial
24 and industrial uses within the urban growth area since the adoption
25 of a comprehensive plan under this chapter or since the last periodic
26 evaluation as required by subsection (1) of this section; and

27 ~~((e))~~ (e) Based on the actual density of development as
28 determined under (b) of this subsection, review commercial,
29 industrial, and housing needs by type and density range to determine
30 the amount of land needed for commercial, industrial, and housing for
31 the remaining portion of the twenty-year planning period used in the
32 most recently adopted comprehensive plan.

33 ~~(4) ((If the evaluation required by subsection (3) of this~~
34 ~~section demonstrates an inconsistency between what has occurred since~~
35 ~~the adoption of the countywide planning policies and the county and~~
36 ~~city comprehensive plans and development regulations and what was~~
37 ~~envisioned in those policies and plans and the planning goals and the~~
38 ~~requirements of this chapter, as the inconsistency relates to the~~
39 ~~evaluation factors specified in subsection (3) of this section, the~~
40 ~~county and its cities shall adopt and implement measures that are~~

1 reasonably likely to increase consistency during the subsequent five-
2 year period. If necessary, a county, in consultation with its cities
3 as required by RCW 36.70A.210, shall adopt amendments to countywide
4 planning policies to increase consistency. The county and its cities
5 shall annually monitor the measures adopted under this subsection to
6 determine their effect and may revise or rescind them as appropriate.

7 ~~(5)(a) Not later than July 1, 1998, the department shall prepare~~
8 ~~a list of methods used by counties and cities in carrying out the~~
9 ~~types of activities required by this section. The department shall~~
10 ~~provide this information and appropriate technical assistance to~~
11 ~~counties and cities required to or choosing to comply with the~~
12 ~~provisions of this section.~~

13 ~~(b) By December 31, 2007, the department shall submit to the~~
14 ~~appropriate committees of the legislature a report analyzing the~~
15 ~~effectiveness of the activities described in this section in~~
16 ~~achieving the goals envisioned by the countywide planning policies~~
17 ~~and the comprehensive plans and development regulations of the~~
18 ~~counties and cities.~~

19 ~~(6))~~ From funds appropriated by the legislature for this
20 purpose, the department shall provide grants to counties, cities, and
21 regional planning organizations required under subsection ~~((7))~~ (5)
22 of this section to conduct the review and perform the evaluation
23 required by this section.

24 ~~((7))~~ (5) The provisions of this section shall apply to
25 counties, and the cities within those counties, that were greater
26 than one hundred fifty thousand in population in ~~((1995))~~ 1996 as
27 determined by office of financial management population estimates and
28 that are located west of the crest of the Cascade mountain range. Any
29 other county planning under RCW 36.70A.040 may carry out the review,
30 evaluation, and amendment programs and procedures as provided in this
31 section.

32 (6) The requirements of this section are subject to the
33 availability of funds appropriated for this specific purpose. If
34 sufficient funds are not appropriated consistent with the timelines
35 in subsection (2)(b) of this section, counties and cities shall be
36 subject to the review and evaluation program as it existed prior to
37 the effective date of this section.

38 NEW SECTION. Sec. 3. A new section is added to chapter 36.70A
39 RCW to read as follows:

1 (1) The department of commerce, through a contract with a land
2 use and economics entity, shall develop guidance for local
3 governments on the review and evaluation program in RCW 36.70A.215.
4 The contract shall be with an entity experienced in serving private
5 and public sector clients which can assist developers and policy
6 makers to understand near-term market realities and long-term
7 planning considerations, and with experience facilitating successful
8 conversations between multiple local governments and stakeholders on
9 complex land use issues. The department of commerce shall enable
10 appropriate public participation by affected stakeholders in the
11 development of the guidance for the appropriate market factor
12 analysis and review and update of the overall buildable lands
13 program. This guidance regarding the market factor methodology and
14 buildable lands program shall be completed by December 1, 2018. The
15 buildable lands guidance shall analyze and provide recommendations
16 on:

17 (a) The review and evaluation program in RCW 36.70A.215 and
18 changes to the required information to be analyzed within the program
19 to increase the accuracy of the report when updating countywide
20 planning policies and the county and city comprehensive plans;

21 (b) Whether a more effective schedule could be developed for
22 countywide planning policies and the county and city comprehensive
23 plan updates to better align with implementing reasonable measures
24 identified through the review and evaluation program, and population
25 projections and census data while maintaining appropriate and timely
26 consideration of planning needs best done through a comprehensive
27 planning process;

28 (c) A determination on how reasonable measures, based on the
29 review and evaluation program, should be implemented into updates for
30 countywide planning policies and the county and city comprehensive
31 plans;

32 (d) Infrastructure costs, including but not limited to
33 transportation, water, sewer, stormwater, and the cost to provide new
34 or upgraded infrastructure if required to serve development; cost of
35 development; timelines to permit and develop land; market
36 availability of land; the nexus between proposed densities, economic
37 conditions needed to achieve those densities, and the impact to
38 housing affordability for home ownership and rental housing; and,
39 market demand when evaluating if land is suitable for development or

1 redevelopment. These all have an impact on whether development occurs
2 or if planned for densities will differ from achieved densities;

3 (e) Identifying the measures to increase housing availability and
4 affordability for all economic segments of the community and the
5 factors contributing to the high cost of housing including zoning/
6 development/environmental regulations, permit processing timelines,
7 housing production trends by housing type and rents and prices,
8 national and regional economic and demographic trends affecting
9 housing affordability and production by rents and prices, housing
10 unit size by housing type, and how well growth targets align with
11 market conditions including the assumptions on where people desire to
12 live;

13 (f) Evaluating how existing zoning and land use regulations are
14 promoting or hindering attainment of the goal for affordable housing
15 in RCW 36.70A.020(4). Barriers to meeting this goal shall be
16 identified and considered as possible reasonable measures for each
17 county and city, and as part of the next countywide planning policies
18 and county and city comprehensive plan update;

19 (g) Identifying opportunities and strategies to encourage growth
20 within urban growth areas;

21 (h) Identifying strategies to increase local government capacity
22 to invest in the infrastructure necessary to accommodate growth and
23 provide opportunities for affordable housing across all economic
24 segments of the community and housing types; and

25 (i) Other topics identified by stakeholders and the department.

26 (2) The requirements of this section are subject to the
27 availability of funds appropriated for this specific purpose.

28 **Sec. 4.** RCW 36.70A.070 and 2017 c 331 s 2 are each amended to
29 read as follows:

30 The comprehensive plan of a county or city that is required or
31 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
32 and descriptive text covering objectives, principles, and standards
33 used to develop the comprehensive plan. The plan shall be an
34 internally consistent document and all elements shall be consistent
35 with the future land use map. A comprehensive plan shall be adopted
36 and amended with public participation as provided in RCW 36.70A.140.
37 Each comprehensive plan shall include a plan, scheme, or design for
38 each of the following:

1 (1) A land use element designating the proposed general
2 distribution and general location and extent of the uses of land,
3 where appropriate, for agriculture, timber production, housing,
4 commerce, industry, recreation, open spaces, general aviation
5 airports, public utilities, public facilities, and other land uses.
6 The land use element shall include population densities, building
7 intensities, and estimates of future population growth. The land use
8 element shall provide for protection of the quality and quantity of
9 groundwater used for public water supplies. Wherever possible, the
10 land use element should consider utilizing urban planning approaches
11 that promote physical activity. Where applicable, the land use
12 element shall review drainage, flooding, and storm water run-off in
13 the area and nearby jurisdictions and provide guidance for corrective
14 actions to mitigate or cleanse those discharges that pollute waters
15 of the state, including Puget Sound or waters entering Puget Sound.

16 (2) A housing element ensuring the vitality and character of
17 established residential neighborhoods that: (a) Includes an inventory
18 and analysis of existing and projected housing needs that identifies
19 the number of housing units necessary to manage projected growth; (b)
20 includes a statement of goals, policies, objectives, and mandatory
21 provisions for the preservation, improvement, and development of
22 housing, including single-family residences; (c) identifies
23 sufficient land for housing, including, but not limited to,
24 government-assisted housing, housing for low-income families,
25 manufactured housing, multifamily housing, and group homes and foster
26 care facilities; and (d) makes adequate provisions for existing and
27 projected needs of all economic segments of the community. In
28 counties and cities subject to the review and evaluation requirements
29 of RCW 36.70A.215, any revision to the housing element shall include
30 consideration of prior review and evaluation reports and any
31 reasonable measures identified.

32 (3) A capital facilities plan element consisting of: (a) An
33 inventory of existing capital facilities owned by public entities,
34 showing the locations and capacities of the capital facilities; (b) a
35 forecast of the future needs for such capital facilities; (c) the
36 proposed locations and capacities of expanded or new capital
37 facilities; (d) at least a six-year plan that will finance such
38 capital facilities within projected funding capacities and clearly
39 identifies sources of public money for such purposes; and (e) a
40 requirement to reassess the land use element if probable funding

1 falls short of meeting existing needs and to ensure that the land use
2 element, capital facilities plan element, and financing plan within
3 the capital facilities plan element are coordinated and consistent.
4 Park and recreation facilities shall be included in the capital
5 facilities plan element.

6 (4) A utilities element consisting of the general location,
7 proposed location, and capacity of all existing and proposed
8 utilities, including, but not limited to, electrical lines,
9 telecommunication lines, and natural gas lines.

10 (5) Rural element. Counties shall include a rural element
11 including lands that are not designated for urban growth,
12 agriculture, forest, or mineral resources. The following provisions
13 shall apply to the rural element:

14 (a) Growth management act goals and local circumstances. Because
15 circumstances vary from county to county, in establishing patterns of
16 rural densities and uses, a county may consider local circumstances,
17 but shall develop a written record explaining how the rural element
18 harmonizes the planning goals in RCW 36.70A.020 and meets the
19 requirements of this chapter.

20 (b) Rural development. The rural element shall permit rural
21 development, forestry, and agriculture in rural areas. The rural
22 element shall provide for a variety of rural densities, uses,
23 essential public facilities, and rural governmental services needed
24 to serve the permitted densities and uses. To achieve a variety of
25 rural densities and uses, counties may provide for clustering,
26 density transfer, design guidelines, conservation easements, and
27 other innovative techniques that will accommodate appropriate rural
28 economic advancement, densities, and uses that are not characterized
29 by urban growth and that are consistent with rural character.

30 (c) Measures governing rural development. The rural element shall
31 include measures that apply to rural development and protect the
32 rural character of the area, as established by the county, by:

- 33 (i) Containing or otherwise controlling rural development;
- 34 (ii) Assuring visual compatibility of rural development with the
35 surrounding rural area;
- 36 (iii) Reducing the inappropriate conversion of undeveloped land
37 into sprawling, low-density development in the rural area;
- 38 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
39 and surface water and groundwater resources; and

1 (v) Protecting against conflicts with the use of agricultural,
2 forest, and mineral resource lands designated under RCW 36.70A.170.

3 (d) Limited areas of more intensive rural development. Subject to
4 the requirements of this subsection and except as otherwise
5 specifically provided in this subsection (5)(d), the rural element
6 may allow for limited areas of more intensive rural development,
7 including necessary public facilities and public services to serve
8 the limited area as follows:

9 (i) Rural development consisting of the infill, development, or
10 redevelopment of existing commercial, industrial, residential, or
11 mixed-use areas, whether characterized as shoreline development,
12 villages, hamlets, rural activity centers, or crossroads
13 developments.

14 (A) A commercial, industrial, residential, shoreline, or mixed-
15 use area are subject to the requirements of (d)(iv) of this
16 subsection, but are not subject to the requirements of (c)(ii) and
17 (iii) of this subsection.

18 (B) Any development or redevelopment other than an industrial
19 area or an industrial use within a mixed-use area or an industrial
20 area under this subsection (5)(d)(i) must be principally designed to
21 serve the existing and projected rural population.

22 (C) Any development or redevelopment in terms of building size,
23 scale, use, or intensity shall be consistent with the character of
24 the existing areas. Development and redevelopment may include changes
25 in use from vacant land or a previously existing use so long as the
26 new use conforms to the requirements of this subsection (5);

27 (ii) The intensification of development on lots containing, or
28 new development of, small-scale recreational or tourist uses,
29 including commercial facilities to serve those recreational or
30 tourist uses, that rely on a rural location and setting, but that do
31 not include new residential development. A small-scale recreation or
32 tourist use is not required to be principally designed to serve the
33 existing and projected rural population. Public services and public
34 facilities shall be limited to those necessary to serve the
35 recreation or tourist use and shall be provided in a manner that does
36 not permit low-density sprawl;

37 (iii) The intensification of development on lots containing
38 isolated nonresidential uses or new development of isolated cottage
39 industries and isolated small-scale businesses that are not
40 principally designed to serve the existing and projected rural

1 population and nonresidential uses, but do provide job opportunities
2 for rural residents. Rural counties may allow the expansion of small-
3 scale businesses as long as those small-scale businesses conform with
4 the rural character of the area as defined by the local government
5 according to RCW 36.70A.030(15). Rural counties may also allow new
6 small-scale businesses to utilize a site previously occupied by an
7 existing business as long as the new small-scale business conforms to
8 the rural character of the area as defined by the local government
9 according to RCW 36.70A.030(15). Public services and public
10 facilities shall be limited to those necessary to serve the isolated
11 nonresidential use and shall be provided in a manner that does not
12 permit low-density sprawl;

13 (iv) A county shall adopt measures to minimize and contain the
14 existing areas or uses of more intensive rural development, as
15 appropriate, authorized under this subsection. Lands included in such
16 existing areas or uses shall not extend beyond the logical outer
17 boundary of the existing area or use, thereby allowing a new pattern
18 of low-density sprawl. Existing areas are those that are clearly
19 identifiable and contained and where there is a logical boundary
20 delineated predominately by the built environment, but that may also
21 include undeveloped lands if limited as provided in this subsection.
22 The county shall establish the logical outer boundary of an area of
23 more intensive rural development. In establishing the logical outer
24 boundary, the county shall address (A) the need to preserve the
25 character of existing natural neighborhoods and communities, (B)
26 physical boundaries, such as bodies of water, streets and highways,
27 and land forms and contours, (C) the prevention of abnormally
28 irregular boundaries, and (D) the ability to provide public
29 facilities and public services in a manner that does not permit low-
30 density sprawl;

31 (v) For purposes of (d) of this subsection, an existing area or
32 existing use is one that was in existence:

33 (A) On July 1, 1990, in a county that was initially required to
34 plan under all of the provisions of this chapter;

35 (B) On the date the county adopted a resolution under RCW
36 36.70A.040(2), in a county that is planning under all of the
37 provisions of this chapter under RCW 36.70A.040(2); or

38 (C) On the date the office of financial management certifies the
39 county's population as provided in RCW 36.70A.040(5), in a county

1 that is planning under all of the provisions of this chapter pursuant
2 to RCW 36.70A.040(5).

3 (e) Exception. This subsection shall not be interpreted to permit
4 in the rural area a major industrial development or a master planned
5 resort unless otherwise specifically permitted under RCW 36.70A.360
6 and 36.70A.365.

7 (6) A transportation element that implements, and is consistent
8 with, the land use element.

9 (a) The transportation element shall include the following
10 subelements:

11 (i) Land use assumptions used in estimating travel;

12 (ii) Estimated traffic impacts to state-owned transportation
13 facilities resulting from land use assumptions to assist the
14 department of transportation in monitoring the performance of state
15 facilities, to plan improvements for the facilities, and to assess
16 the impact of land-use decisions on state-owned transportation
17 facilities;

18 (iii) Facilities and services needs, including:

19 (A) An inventory of air, water, and ground transportation
20 facilities and services, including transit alignments and general
21 aviation airport facilities, to define existing capital facilities
22 and travel levels as a basis for future planning. This inventory must
23 include state-owned transportation facilities within the city or
24 county's jurisdictional boundaries;

25 (B) Level of service standards for all locally owned arterials
26 and transit routes to serve as a gauge to judge performance of the
27 system. These standards should be regionally coordinated;

28 (C) For state-owned transportation facilities, level of service
29 standards for highways, as prescribed in chapters 47.06 and 47.80
30 RCW, to gauge the performance of the system. The purposes of
31 reflecting level of service standards for state highways in the local
32 comprehensive plan are to monitor the performance of the system, to
33 evaluate improvement strategies, and to facilitate coordination
34 between the county's or city's six-year street, road, or transit
35 program and the office of financial management's ten-year investment
36 program. The concurrency requirements of (b) of this subsection do
37 not apply to transportation facilities and services of statewide
38 significance except for counties consisting of islands whose only
39 connection to the mainland are state highways or ferry routes. In
40 these island counties, state highways and ferry route capacity must

1 be a factor in meeting the concurrency requirements in (b) of this
2 subsection;

3 (D) Specific actions and requirements for bringing into
4 compliance locally owned transportation facilities or services that
5 are below an established level of service standard;

6 (E) Forecasts of traffic for at least ten years based on the
7 adopted land use plan to provide information on the location, timing,
8 and capacity needs of future growth;

9 (F) Identification of state and local system needs to meet
10 current and future demands. Identified needs on state-owned
11 transportation facilities must be consistent with the statewide
12 multimodal transportation plan required under chapter 47.06 RCW;

13 (iv) Finance, including:

14 (A) An analysis of funding capability to judge needs against
15 probable funding resources;

16 (B) A multiyear financing plan based on the needs identified in
17 the comprehensive plan, the appropriate parts of which shall serve as
18 the basis for the six-year street, road, or transit program required
19 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
20 35.58.2795 for public transportation systems. The multiyear financing
21 plan should be coordinated with the ten-year investment program
22 developed by the office of financial management as required by RCW
23 47.05.030;

24 (C) If probable funding falls short of meeting identified needs,
25 a discussion of how additional funding will be raised, or how land
26 use assumptions will be reassessed to ensure that level of service
27 standards will be met;

28 (v) Intergovernmental coordination efforts, including an
29 assessment of the impacts of the transportation plan and land use
30 assumptions on the transportation systems of adjacent jurisdictions;

31 (vi) Demand-management strategies;

32 (vii) Pedestrian and bicycle component to include collaborative
33 efforts to identify and designate planned improvements for pedestrian
34 and bicycle facilities and corridors that address and encourage
35 enhanced community access and promote healthy lifestyles.

36 (b) After adoption of the comprehensive plan by jurisdictions
37 required to plan or who choose to plan under RCW 36.70A.040, local
38 jurisdictions must adopt and enforce ordinances which prohibit
39 development approval if the development causes the level of service
40 on a locally owned transportation facility to decline below the

1 standards adopted in the transportation element of the comprehensive
2 plan, unless transportation improvements or strategies to accommodate
3 the impacts of development are made concurrent with the development.
4 These strategies may include increased public transportation service,
5 ride-sharing programs, demand management, and other transportation
6 systems management strategies. For the purposes of this subsection
7 (6), "concurrent with the development" means that improvements or
8 strategies are in place at the time of development, or that a
9 financial commitment is in place to complete the improvements or
10 strategies within six years. If the collection of impact fees is
11 delayed under RCW 82.02.050(3), the six-year period required by this
12 subsection (6)(b) must begin after full payment of all impact fees is
13 due to the county or city.

14 (c) The transportation element described in this subsection (6),
15 the six-year plans required by RCW 35.77.010 for cities, RCW
16 36.81.121 for counties, and RCW 35.58.2795 for public transportation
17 systems, and the ten-year investment program required by RCW
18 47.05.030 for the state, must be consistent.

19 (7) An economic development element establishing local goals,
20 policies, objectives, and provisions for economic growth and vitality
21 and a high quality of life. (~~The element may include the provisions~~
22 ~~in section 3 of this act.~~) A city that has chosen to be a
23 residential community is exempt from the economic development element
24 requirement of this subsection.

25 (8) A park and recreation element that implements, and is
26 consistent with, the capital facilities plan element as it relates to
27 park and recreation facilities. The element shall include: (a)
28 Estimates of park and recreation demand for at least a ten-year
29 period; (b) an evaluation of facilities and service needs; and (c) an
30 evaluation of intergovernmental coordination opportunities to provide
31 regional approaches for meeting park and recreational demand.

32 (9) It is the intent that new or amended elements required after
33 January 1, 2002, be adopted concurrent with the scheduled update
34 provided in RCW 36.70A.130. Requirements to incorporate any such new
35 or amended elements shall be null and void until funds sufficient to
36 cover applicable local government costs are appropriated and
37 distributed by the state at least two years before local government
38 must update comprehensive plans as required in RCW 36.70A.130.

1 **Sec. 5.** RCW 36.22.179 and 2014 c 200 s 1 are each amended to
2 read as follows:

3 (1) In addition to the surcharge authorized in RCW 36.22.178, and
4 except as provided in subsection (2) of this section, an additional
5 surcharge of ten dollars shall be charged by the county auditor for
6 each document recorded, which will be in addition to any other charge
7 allowed by law. From September 1, 2012, through June 30, (~~2019~~)
8 2023, the surcharge shall be forty dollars. The funds collected
9 pursuant to this section are to be distributed and used as follows:

10 (a) The auditor shall retain two percent for collection of the
11 fee, and of the remainder shall remit sixty percent to the county to
12 be deposited into a fund that must be used by the county and its
13 cities and towns to accomplish the purposes of chapter 484, Laws of
14 2005, six percent of which may be used by the county for the
15 collection and local distribution of these funds and administrative
16 costs related to its homeless housing plan, and the remainder for
17 programs which directly accomplish the goals of the county's local
18 homeless housing plan, except that for each city in the county which
19 elects as authorized in RCW 43.185C.080 to operate its own local
20 homeless housing program, a percentage of the surcharge assessed
21 under this section equal to the percentage of the city's local
22 portion of the real estate excise tax collected by the county shall
23 be transmitted at least quarterly to the city treasurer, without any
24 deduction for county administrative costs, for use by the city for
25 program costs which directly contribute to the goals of the city's
26 local homeless housing plan; of the funds received by the city, it
27 may use six percent for administrative costs for its homeless housing
28 program.

29 (b) The auditor shall remit the remaining funds to the state
30 treasurer for deposit in the home security fund account. The
31 department may use twelve and one-half percent of this amount for
32 administration of the program established in RCW 43.185C.020,
33 including the costs of creating the statewide homeless housing
34 strategic plan, measuring performance, providing technical assistance
35 to local governments, and managing the homeless housing grant
36 program. Of the remaining eighty-seven and one-half percent, at least
37 forty-five percent must be set aside for the use of private rental
38 housing payments, and the remainder is to be used by the department
39 to:

1 (i) Provide housing and shelter for homeless people including,
2 but not limited to: Grants to operate, repair, and staff shelters;
3 grants to operate transitional housing; partial payments for rental
4 assistance; consolidated emergency assistance; overnight youth
5 shelters; grants and vouchers designated for victims of human
6 trafficking and their families; and emergency shelter assistance; and

7 (ii) Fund the homeless housing grant program.

8 (2) The surcharge imposed in this section does not apply to (a)
9 assignments or substitutions of previously recorded deeds of trust,
10 (b) documents recording a birth, marriage, divorce, or death, (c) any
11 recorded documents otherwise exempted from a recording fee or
12 additional surcharges under state law, (d) marriage licenses issued
13 by the county auditor, ~~((e))~~ (e) documents recording a state,
14 county, or city lien or satisfaction of lien, or (f) documents
15 recording a water-sewer district lien or satisfaction of a lien for
16 delinquent utility payments.

17 **Sec. 6.** RCW 82.46.037 and 2016 c 138 s 4 are each amended to
18 read as follows:

19 (1) A city or county that meets the requirements of subsection
20 (2) of this section may use the greater of one hundred thousand
21 dollars or twenty-five percent of available funds, but not to exceed
22 one million dollars per year, from revenues collected under RCW
23 82.46.035 for:

24 (a) The maintenance of capital projects, as defined in RCW
25 82.46.035(5); ~~((e))~~

26 (b) From July 1, 2017, until June 30, 2019, the acquisition,
27 construction, improvement, or rehabilitation of facilities to provide
28 housing for the homeless; or

29 (c) The planning, acquisition, construction, reconstruction,
30 repair, replacement, rehabilitation, improvement, or maintenance of
31 capital projects as defined in RCW 82.46.010(6)(b) that are not also
32 included within the definition of capital projects in RCW
33 82.46.035(5).

34 (2) A city or county may use revenues pursuant to subsection (1)
35 of this section if:

36 (a) The city or county prepares a written report demonstrating
37 that it has or will have adequate funding from all sources of public
38 funding to pay for all capital projects, as defined in RCW

1 82.46.035(5), identified in its capital facilities plan for the
2 succeeding two-year period; and

3 (b)(i) The city or county has not enacted, after June 9, 2016,
4 any requirement on the listing or sale of real property; or any
5 requirement on landlords, at the time of executing a lease, to
6 perform or provide physical improvements or modifications to real
7 property or fixtures, except if necessary to address an immediate
8 threat to health or safety; (~~(e)~~)

9 (ii) Any local requirement adopted by the city or county under
10 (b)(i) of this subsection is: Specifically authorized by RCW
11 35.80.030, 35A.11.020, chapter 7.48 RCW, or chapter 19.27 RCW;
12 specifically authorized by other state or federal law; or a seller or
13 landlord disclosure requirement pursuant to RCW 64.06.080; or

14 (iii) For a city or county using funds under subsection (1)(b) of
15 this section, the requirements of this subsection apply, except that
16 the date for such enactment under (b)(i) of this subsection is ninety
17 days after the effective date of this section.

18 (3) The report prepared under subsection (2)(a) of this section
19 must: (a) Include information necessary to determine compliance with
20 the requirements of subsection (2)(a) of this section; (b) identify
21 how revenues collected under RCW 82.46.035 were used by the city or
22 county during the prior two-year period; (c) identify how funds
23 authorized under subsection (1) of this section will be used during
24 the succeeding two-year period; and (d) identify what percentage of
25 funding for capital projects within the city or county is
26 attributable to revenues under RCW 82.46.035 compared to all other
27 sources of capital project funding. The city or county must prepare
28 and adopt the report as part of its regular, public budget process.

29 (~~(4) ((The authority to use funds as authorized in this section is~~
30 ~~in addition to the authority to use funds pursuant to RCW~~
31 ~~82.46.035(7)), which remains in effect through December 31, 2016.~~

32 (~~5~~)) For purposes of this section, "maintenance" means the use
33 of funds for labor and materials that will preserve, prevent the
34 decline of, or extend the useful life of a capital project.
35 "Maintenance" does not include labor or material costs for routine
36 operations of a capital project.

37 **Sec. 7.** RCW 43.21C.440 and 2012 1st sp.s. c 1 s 303 are each
38 amended to read as follows:

1 (1) For purposes of this chapter, a planned action means one or
2 more types of development or redevelopment that meet the following
3 criteria:

4 (a) Are designated as planned actions by an ordinance or
5 resolution adopted by a county, city, or town planning under RCW
6 36.70A.040;

7 (b) In conjunction with, or to implement, a comprehensive plan or
8 subarea plan adopted under chapter 36.70A RCW, or a fully contained
9 community, a master planned resort, a master planned development, or
10 a phased project, have had the significant impacts adequately
11 addressed:

12 (i) In an environmental impact statement under the requirements
13 of this chapter ((in conjunction with, or to implement, a
14 comprehensive plan or subarea plan adopted under chapter 36.70A RCW,
15 or a fully contained community, a master planned resort, a master
16 planned development, or a phased project)); or

17 (ii) In a threshold determination or, where one is appropriate,
18 in an environmental impact statement under the requirements of this
19 chapter, if the planned action contains mixed use or residential
20 development and encompasses an area that:

21 (A) Is within one-half mile of a major transit stop; or

22 (B) Will be within one-half mile of a major transit stop no later
23 than five years from the date of the designation of the planned
24 action;

25 (c) Have had project level significant impacts adequately
26 addressed in a threshold determination or, where one is required
27 under (b) of this subsection or where otherwise appropriate, an
28 environmental impact statement, unless the impacts are specifically
29 deferred for consideration at the project level pursuant to
30 subsection (3)(b) of this section;

31 (d) Are subsequent or implementing projects for the proposals
32 listed in (b) of this subsection;

33 (e) Are located within an urban growth area designated pursuant
34 to RCW 36.70A.110;

35 (f) Are not essential public facilities, as defined in RCW
36 36.70A.200, unless an essential public facility is accessory to or
37 part of a residential, office, school, commercial, recreational,
38 service, or industrial development that is designated a planned
39 action under this subsection; and

1 (g) Are consistent with a comprehensive plan or subarea plan
2 adopted under chapter 36.70A RCW.

3 (2) A county, city, or town shall define the types of development
4 included in the planned action and may limit a planned action to:

5 (a) A specific geographic area that is less extensive than the
6 jurisdictional boundaries of the county, city, or town; or

7 (b) A time period identified in the ordinance or resolution
8 adopted under this subsection.

9 (3)(a) A county, city, or town shall determine during permit
10 review whether a proposed project is consistent with a planned action
11 ordinance adopted by the jurisdiction. To determine project
12 consistency with a planned action ordinance, a county, city, or town
13 may utilize a modified checklist pursuant to the rules adopted to
14 implement RCW 43.21C.110, a form that is designated within the
15 planned action ordinance, or a form contained in agency rules adopted
16 pursuant to RCW 43.21C.120.

17 (b) A county, city, or town is not required to make a threshold
18 determination and may not require additional environmental review,
19 for a proposal that is determined to be consistent with the
20 development or redevelopment described in the planned action
21 ordinance, except for impacts that are specifically deferred to the
22 project level at the time of the planned action ordinance's adoption.

23 At least one community meeting must be held before the notice is
24 issued for the planned action ordinance. Notice for the planned
25 action and notice of the community meeting required by this
26 subsection (3)(b) must be mailed or otherwise verifiably provided to:

27 (i) All affected federally recognized tribal governments; and (ii)
28 agencies with jurisdiction over the future development anticipated
29 for the planned action. The determination of consistency, and the
30 adequacy of any environmental review that was specifically deferred,
31 are subject to the type of administrative appeal that the county,
32 city, or town provides for the proposal itself consistent with RCW
33 36.70B.060.

34 (4) For a planned action ordinance that encompasses the entire
35 jurisdictional boundary of a county, city, or town, at least one
36 community meeting must be held before the notice is issued for the
37 planned action ordinance. Notice for the planned action ordinance and
38 notice of the community meeting required by this subsection must be
39 mailed or otherwise verifiably provided to:

1 (a) All property owners of record within the county, city, or
2 town;

3 (b) All affected federally recognized tribal governments; and

4 (c) All agencies with jurisdiction over the future development
5 anticipated for the planned action.

6 (5) For purposes of this section, "major transit stop" means a
7 commuter rail stop, a stop on a rail or fixed guideway or transitway
8 system, or a stop on a high capacity transportation service funded or
9 expanded under chapter 81.104 RCW.

10 NEW SECTION. **Sec. 8.** Section 2 of this act expires January 1,
11 2030.

Passed by the Senate June 29, 2017.

Passed by the House June 29, 2017.

Approved by the Governor July 6, 2017.

Filed in Office of Secretary of State July 7, 2017.

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