



Final Scope and Recommendations Report Collaborative Roadmap Phase III

June 2, 2022



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Collaborative Roadmap

Phase III – Important Milestones

2021

Review of Prior
Studies Report

Task Force
formation and
meetings

Preliminary Scope of
Recommendations
Report

2021 Legislative
Report

2022

Ongoing work -

- Legislative session engagement
- Task Force meetings
- Ongoing engagement

Final Scope of
Recommendations
Report – June 1, 2022

2022 Legislative
Report – December
15, 2022

2023

Ongoing work -

- Legislative session engagement

Closeout Report and
Final
Recommendations –
June 1, 2023

We Are
Here

Executive Summary

The Collaborative Roadmap Phase III project (Phase III) is a two-year project, funded by the Washington State Legislature during the 2021 legislative session, focused on updates to the state's growth policy framework.

Washington State's growth policy framework consists of state laws that govern or influence the strategies state agencies and local governments use to plan for, implement, and manage land use policy, permitting and appeals, infrastructure, and environmental protections. The laws that guide our framework are found in [Appendix E](#).

Phase III includes three primary objectives:

- Convene a Task Force, which includes diverse perspectives, to make recommendations to the legislature regarding needed reforms to the state's growth policy framework;
- Task Force recommendations shall build upon the findings, concepts, and recommendations in recent state-funded reports; and
- Include in these discussions the lived experiences and perspectives of people who have too often been excluded from public policy decision-making and have been unevenly impacted by those decisions.

Project objectives are met through the development of several project reports which are identified in Figure 1. Reports produced in 2021, along with other important project documents are located on the Department of Commerce, Collaborative Roadmap Phase III project [website](#). This includes the 2021 Preliminary Scope of Recommendations and 2022 Legislative Session reports, on which this report builds. The Phase III project will conclude in June 2023 with the issuance of the Closeout Report and Final Recommendations.

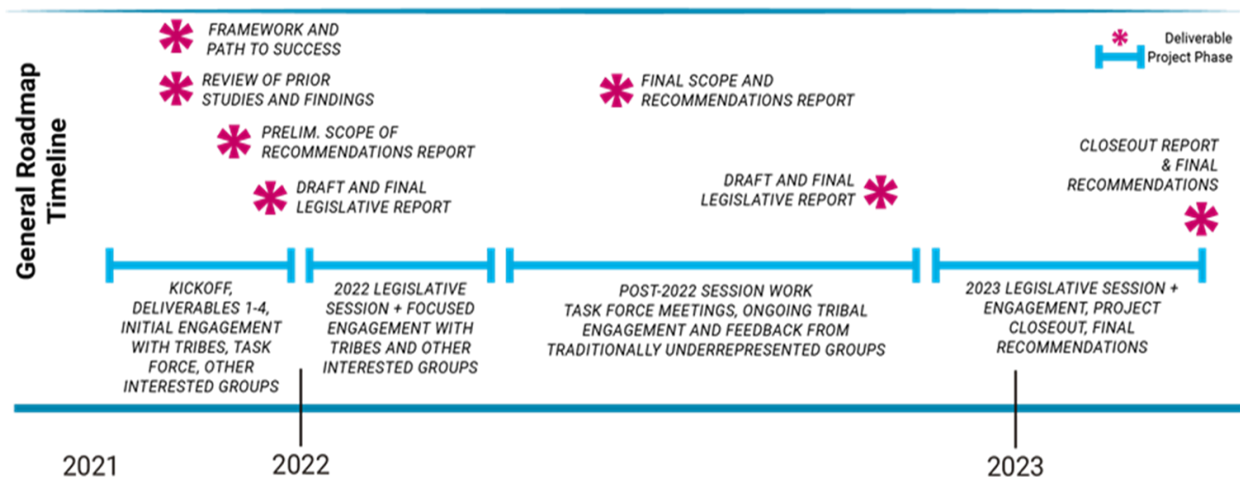


Figure 1: General Roadmap timeline

The Final Scope and Recommendations report identifies the topics that the Task Force will consider and make recommendations on prior to the 2023 legislative session. Identified topics will be shaped into recommendations by engaging Tribes, working groups, and other diverse audiences. The Task force will use that information and insights as topics are refined into recommendations for the 2023 Legislative Report, which is due on December 15th, 2022.

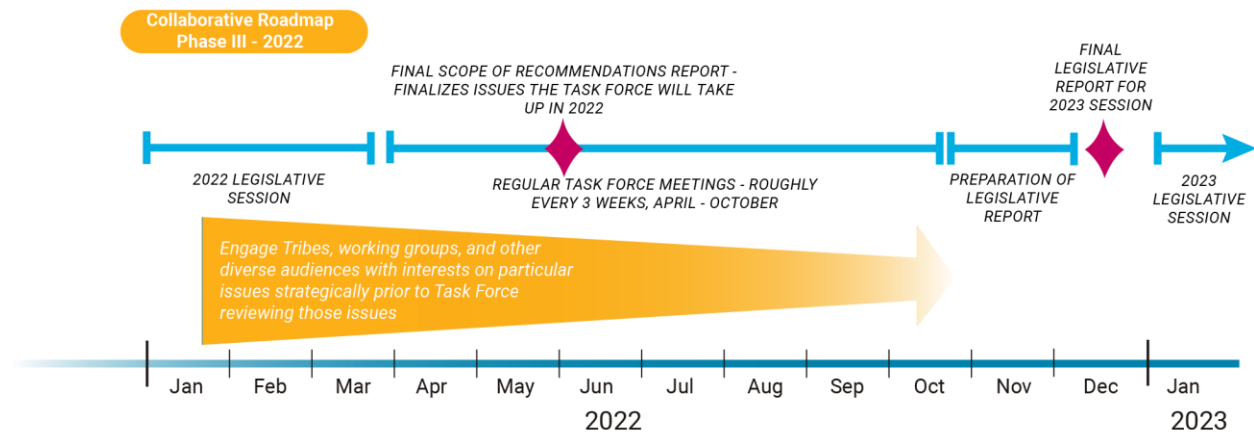


Figure 2: Overview of Roadmap Phase III timeline and process for 2022

Final Scope and Recommendations

The final scope of topics to be addressed by the Task Force prior to the 2023 legislative session builds upon topics identified within the Preliminary Scope and Recommendations report, which was issued in October 2021. There are three primary changes since the preliminary report was issued last fall:

- The Task Force made several recommendations to the legislature prior to the 2022 session. Those recommendations are contained within the [2022 legislative session report](#) and are included in [Appendix D](#) of this report. Recommendations addressed by the legislature last session will not need to be considered this year.
- Several bills, which originated outside of this project and were passed during the 2022 session, implement findings, concepts, and recommendations from recent state-funded reports. (See [Appendix B](#).)
- The project team has had additional time to work through the findings, concepts, and recommendations from recent state-funded reports. This has resulted in a much more refined set of topics for the Task Force to consider in 2022.

Substantial progress has been made in making reforms to Washington State's growth policy framework. The [Review of Prior Studies and Findings Report](#), issued in September 2021, examined the progress made on the recommendations from previous state-funded reports and studies and identified bills that:

- Passed the legislature and implemented recommendations from previous studies; or
- Did not pass but are likely to be reintroduced by the legislature for further consideration.

Progress continued during the 2022 legislative session through implementation of recommendations made by the Task Force and passage of bills that originated outside of this project and were passed during the 2022 session. The topics addressed by that legislation have been removed from the potential scope, leaving the topics that the Task Force will consider prior to the 2023 legislative session.

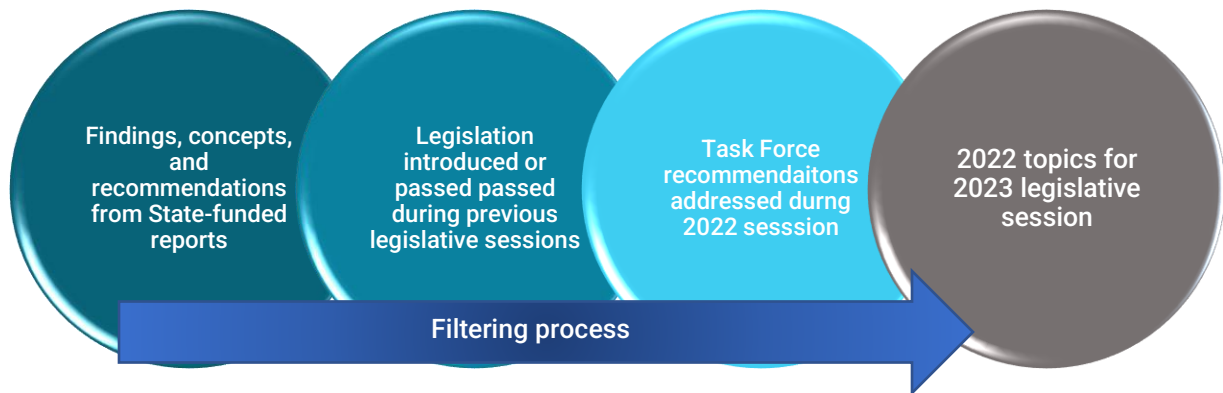


Figure 3: Narrowing down the 2022 topics

The Task Force will focus on topics and concepts that have not yet been addressed and make recommendations on those issues to the legislature. There could be cases where the Task Force determines there is value in providing recommendations on existing bills or topics may be expanded based upon engagement that occurs throughout the year.. We also expect that there will be issues identified in previous reports that the Task Force declines to take up. Where this occurs, the Task Force will identify these issues in the closeout report, which will be prepared at the conclusion of this project.

What remains is a set of topics that the Task Force will explore and make recommendations on before the 2023 legislative session. The project team completed initial engagement, categorized and outlined topics, and evaluated project opportunities and constraints to arrive at the proposed scope for the Task Force prior to the 2023 legislative session.

2022 Engagement Strategy and Recommendation Process

The engagement strategy for 2022 closely mirrors the process used in 2021. The primary difference is that there is substantially more time this year to form and meet with working groups, which can help inform the Task Force on specific topics as they discuss and deliberate potential recommendations. Much of the ground work to begin engaging working groups was completed last year, which will enable a successful effort in 2022.

Working groups will include people and groups who may be subject matter experts on particular topics. Tribes will be invited to these working group meetings, and we plan to meet with Tribes individually on topics with which they wish to engage. Finally, we have a special focus on gaining the perspectives of people who have too often been excluded from public policy decision-making and unevenly impacted by those decisions. Information gained from working groups will be provided to the Task Force and used to help make recommendations to the legislature.

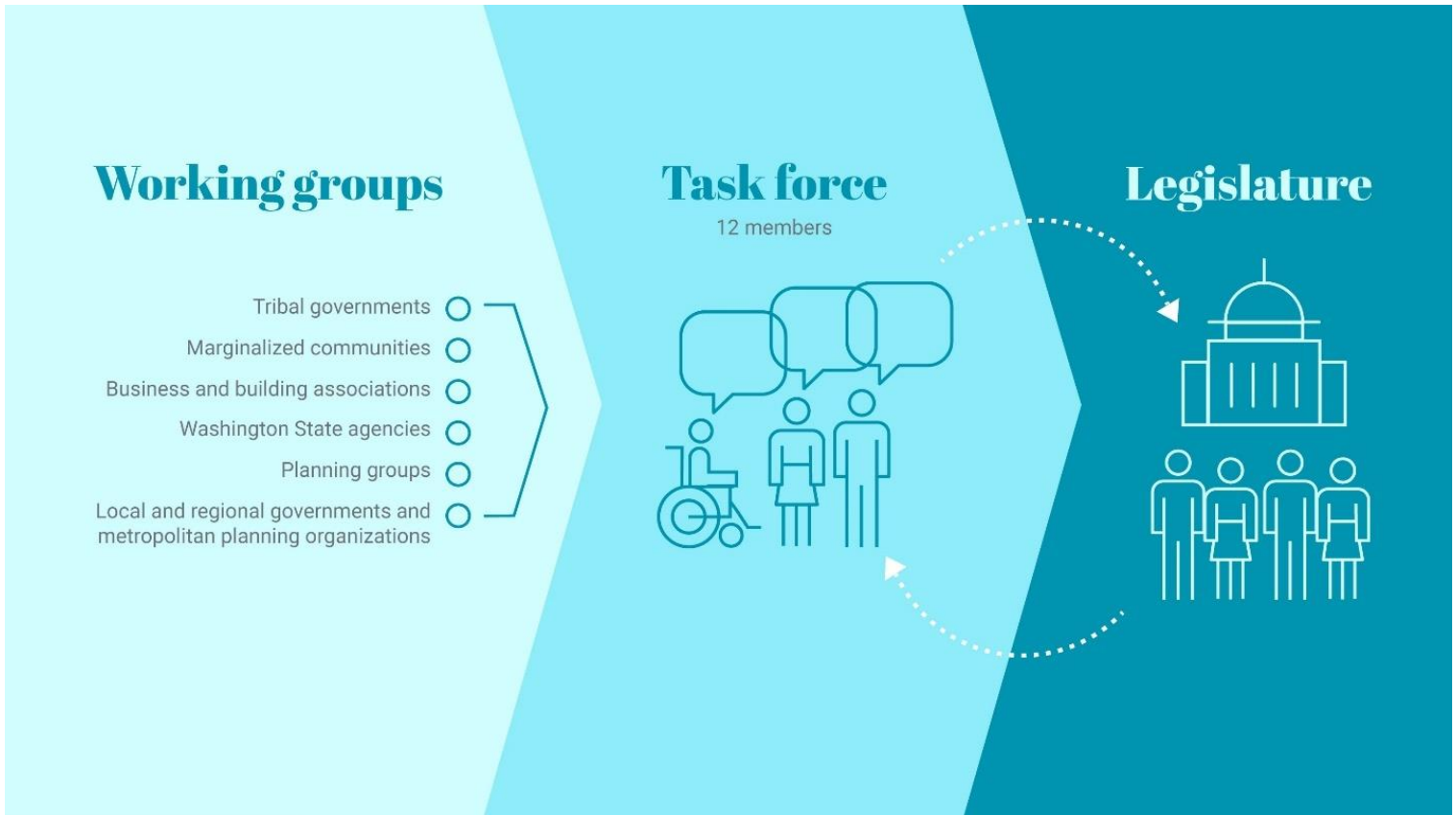


Figure 4: Engagement dynamics

The Task Force will meet up to ten times in 2022 with meetings dates tentatively scheduled. Task Force meetings 1 through 3 were held in the fall of 2021 prior to the 2022 session. The process the Task Force will use to make recommendations on each topic has several steps:

- Provide direction to the project team on the process to develop initial recommendations for each topic including:
 - Who we should talk to outside of the Task Force (identification of working groups)
 - What information we should gather and bring back to the Task Force for consideration
 - How the Task Force would like to be involved between meetings as the topics are further developed. This could include Task Force sub-committee meetings, participation with working groups, and coordination with the project team between meetings.
- Evaluate initial recommendations based upon the above steps. The Task Force can then provide feedback and additional direction in order to form final recommendations.
- Finalize recommendations to be included in the 2022 legislative report.

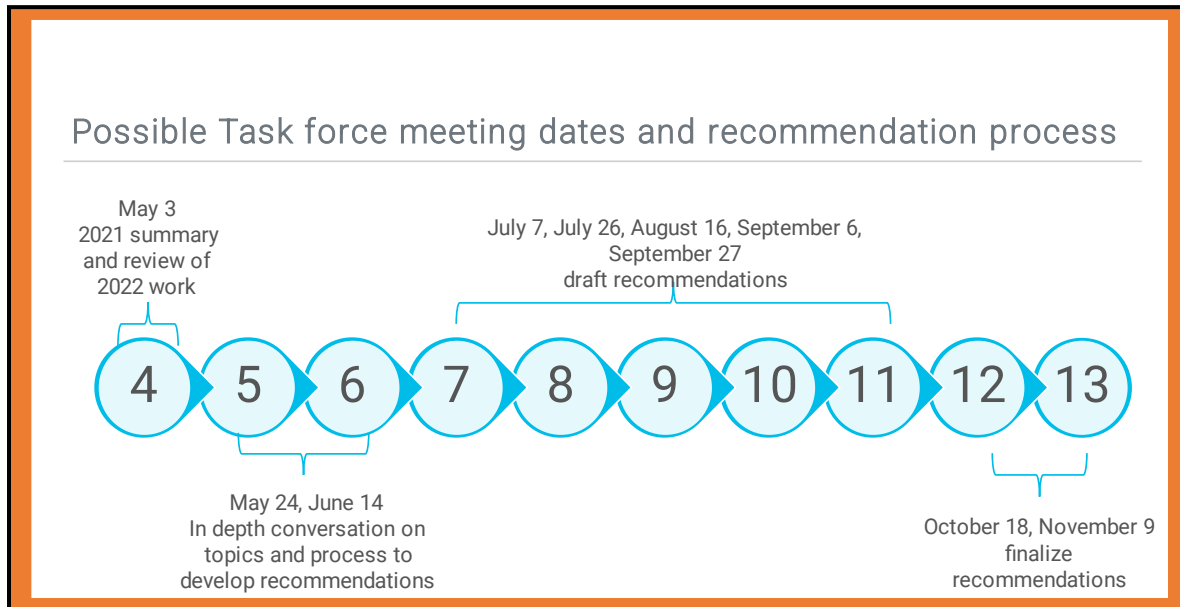


Figure 5: Possible Task Force meeting dates and recommendation process

The Task Force makes recommendations using a modified consent process that focuses on areas of specific proposals or concepts where all members can find some common ground they can all accept. In this facilitated process, Task Force members ask questions, pose alternatives and amendments to specific proposals, and narrow down a range of possible options to a recommendation that all members in attendance can support. This contrasts with a consensus or majoritarian process and still provides information to the legislature in situations where the Task Force was unable to agree on a formal recommendation. More information about the approach to engagement in Phase III can be found in [Appendix F](#).

2021 Task Force Recommendations and Legislative Outcomes

In the fall of 2021, the Phase III Task Force met three times. During those meetings, the Task Force considered five topics and forwarded formal recommendations on four topics to the Legislature. Below is a summary of the topic recommendations and outcomes from the legislative session. The full recommendation sheets that the Task Force discussed and considered are located in [Appendix D](#).

- Topic #1** – Funding for local government planning

“The state should provide a minimum of \$10 million per year, consistent with the Department of Commerce’s budget proposal, to provide consistent and permanent funding to cities and counties for updating comprehensive plans and development regulations consistent with state law requirements.”

Result: \$10 million per year, consistent with the Department of Commerce’s budget proposal was approved in the budget. Grants will go out this year to help support Comprehensive Plan updates.
- Topic #3** – Sales tax incentive for annexations

“The legislature should reinstate the annexation tax credit in RCW 82.14.415 and revisit options to provide better geographic access and equity and provide for

opportunities for all affected cities and counties to benefit from resources provided by the state to incentivize annexations.”

Result: Issue not taken up by legislature but may be taken up by Task Force again in 2022.

- **Topic #4** – Permit process

“The Legislature should modify RCW 36.70B to make current permit data gathering requirements by certain counties and cities easier to prepare to ensure permit data is collected and reported.

Annual permit data shall be sent to the Department of Commerce by a date certain each year and published by Commerce by a date certain to follow each year to increase public accessibility of permit data.”

Result: Issue partially taken up by legislature but will be taken up by Task Force again in 2022. HB 1241 includes progress report on permit timelines which will be completed by Commerce.

- **Topic #5** – Adaptive planning

“The Legislature should amend the GMA to include an optional process for voluntary Department of Commerce approval and defense of certain elements of countywide planning policies, comprehensive plans, and development regulations. The legislature should closely consider how to ensure that this process truly remains optional and does not result in de facto minimum standards.”

The Task Force referred the second part of the draft recommendation, additional tools to make planning processes easier for smaller jurisdictions, to 2022.

Result: Issue partially addressed. Budget provided Commerce additional funding to assist local governments and provided additional grant dollars for planning projects.

The Task Force considered, but did not make a formal recommendation on, the following issue. The recommendation sheet still provides the issue background and overview and other relevant information for the legislature to consider.

- **Topic #2** - Consideration of additional time for some periodic updates under the Growth Management Act (GMA)

The Task Force considered the following statement but did not make a formal recommendation: *“If during the 2022 legislative session, new legislation is passed that would add substantial new planning requirements under the GMA, the legislature should provide up to an additional 12 months for counties and cities with a June 2024 periodic update deadline (RCW 36.70A.130(5)(a)) to revise their comprehensive plans and development regulations.”*

Result: The legislature approved a six-month extension for jurisdictions with a June 2024 comprehensive plan update deadline (HB 1241). The deadline is now December 2024.

2022 Legislative Session

The 2022 legislative session was notable from a growth policy standpoint for three major bills that passed (plus the state operating budget that included the funding for local government planning). These bills fully or partially implement the findings, concepts, and recommendations from recent state-funded reports and/or recommendations forwarded by the Task force. There are also several bills which did not pass last session and will likely be taken up again by the legislature. Portions of HB 1782, discussed below, will be taken up by the Task force this year.

Bills that passed:

- **[SB 5042](#)** –
 - Modified effective date of certain actions under the Growth Management Act (GMA)
- **[E2SHB 1241](#)** –
 - Extended the date for comprehensive plans from 8 to 10 years
 - Required implementation progress report after 5 years for certain communities
 - Provided six-month extension for 2024 jurisdictions
- **[HB 1717](#)** -
 - A federally recognized Indian Tribe may voluntarily choose to participate in the county or regional planning process and coordinate with the counties and cities required to plan under the GMA
 - Establishes coordination process
- **[State Operating Budget \(SB 5693\)](#)**
 - \$10 million per year per Commerce budget proposal to fund local government planning. Grants will go out beginning this year for required updates under the Growth Management Act.

Bills that did not pass:

- **[HB 1099](#)** –
 - Improving the state's climate response through updates to the state's comprehensive planning framework
- **[HB 1117](#)** –
 - Promoting salmon recovery through revisions to the state's comprehensive planning framework
- **[HB 1782](#)** –
 - Middle housing types or average minimum densities based on the population of the city (Task Force to consider portions of this Bill in 2022)

2023 Proposed Scope of Recommendations

To build upon the findings, concepts, and recommendations from state-funded reports as well as recent legislation and early engagement, the project team developed a set of topics for the Task Force to consider prior to the 2023 session.

The project team completed topic sheets providing summary information of the topic, the problem that needs solving, who is impacted, and what potential recommendation options could include for all of the following items, available in [Appendix A](#).

The Task Force will also consider guiding principles to help facilitate the consideration and refinement of topics into recommendations. Those guiding principles are that the Growth policy framework in Washington should, whenever possible:

- Preserve the environment, water resources and cultural sites
- Provide opportunities for a variety of transportation options
- Provide opportunities for a variety of housing options
- Encourage economic development and economic opportunity for all
- Not be unnecessarily bureaucratic or burdensome
- Encourage the preservation of productive forests and farmlands
- Encourage the meaningful involvement of residents in the planning process
- Ensure recreational opportunities and access to natural resources are preserved
- Ensure that public facilities meet the needs of residents
- Ensure that people who are low income or are people of color, are disabled and/or elderly aren't negatively impacted.

Proposed 2023 Scope of Topics

The topics for the Task Force to take up and make recommendations on prior to the 2023 legislative session are robust. The Task Force will have several additional months to engage working groups, consider topics, and make recommendations .

The following is a high-level list of topics for which the Task Force will consider making recommendations. Additional issues may also be added by the Task Force as this process moves forward.

Adaptive Planning

- Recommendations on state statutes, beginning with Growth Management Act (GMA) and State Environmental Policy Act (SEPA) to identify conflicts or disconnects and how to reduce gaps, conflicts, and redundancies.
- Varied planning requirements – revisit different “levels” of GMA and contemplate potential reforms that would right-size planning requirements and recognize regional and sub-regional differences around the state.

Integrating Planning

- Possible new GMA goal focused on human health and well-being
- Possible new GMA goal or goals focused on equity and environmental justice
- Integrate water and sewer districts, school districts, and port districts into the GMA.



Annexations

- Annexation reform focused on reducing conflicts, clarifying the role of special districts, and providing for the fiscal sustainability of counties (including potentially revisiting sales tax incentive)

Housing

- Definitions and where they would be applied related to requirements for middle housing
- Tax incentives for housing to encourage higher density housing and necessary infrastructure



Appendix A: Topic Sheets for Potential Task Force Recommendations Prior to the 2023 Legislative Session



2022 Task Force Topic Sheet

Category: Adaptive Planning

Topic: Varied Planning requirements

Topic Overview: Cities and counties across Washington State currently have varied planning requirements under the Growth Management Act (GMA) (*See Attachment A*). After more than 30 years implementing the GMA, discussion and recommendations on this topic would look at where there may be opportunities to make planning requirements easier to implement or to recognize regional differences and needs throughout the state.

Problems this topic could address:

- Staffing: smaller cities and counties have limited technical staff and financial resources to complete comprehensive plan updates and implement new and existing GMA requirements. Some jurisdictions do not have planners to complete required planning.
- Benefits to smaller jurisdictions: particularly in smaller or slow growing cities and counties, implementation of certain GMA update requirements may not provide the same benefit as faster growing cities and counties.
- Right sizing: after more than 30 years of the GMA, there could be advantages to reviewing the requirements cities and counties must meet under the current types of levels of GMA planning to “right size” requirements.
- Appeals: Comprehensive plan and development regulation appeals can be very costly and time consuming, especially for cities and counties with fewer resources.

Preliminary recommendation options:

1. Increase Department of Commerce funding to provide greater technical assistance and/or funding to certain cities and counties.
2. Provide model policy and code language that cities and counties could adopt when updating comprehensive plans and development regulations.
3. Provide optional Department of Commerce approval process and defense of certain elements of countywide planning policies, comprehensive plans, and development regulations (could be optional but follow the process under the [Shoreline Management Act](#)). If appeals are filed and jurisdictions opt in and follow the new process, Commerce would defend appeals that are filed against those elements.
4. Allow comprehensive plan grant funds to be used for technical assistance. For the three options above, a portion of the funding to pay for this could come from grant dollars allocated to cities and counties for comprehensive plan updates. As an example, a city could take ½ the allocated grant amount in exchange for technical assistance from the Department of Commerce.
5. Update categories for planning requirements as outlined in Attachment A to reflect what we have learned about the effectiveness of planning in various communities around the State.
6. Modify planning certain planning requirements for cities and counties with minimal growth during the planning period under the current categories of GMA planning. Cities and counties that could demonstrate minimal growth pressure could potentially be allowed to “drop down” to partially planning status during the next update process.
7. Modify planning certain planning requirements regarding the frequency of updating [Countywide Planning Policies \(CPPs\)](#) and jurisdictions subject to the [Review and Evaluation Program](#). Specifically, to consider changes which



Category: Adaptive Planning
Topic: Varied Planning requirements
could include counties and the cities within those counties east of the crest of the Cascade Mountain Range with a total population of greater than 150,000 (See RCW 36.70A.215(5)).
How these problems are impacting people/groups: <ul style="list-style-type: none">➤ Some communities have greater resources with which to plan under the GMA. This could include planning for housing, the environment, people and jobs, capital facilities, parks, and other important requirements of the GMA. Jurisdictions with fewer resources may not be currently planning at the same level as others which could impact people/groups at a disproportional rate.➤ Some jurisdictions with few resources may be spending their small budgets defending appeals of GMA plans. These general fund resources may take away from important programs which assist people/groups in their respective communities. <i>Please note that this statement is not debating whether appeals which are filed are valid and important. Rather, it is highlighting the cost to communities with fewer resources.</i>
Potential statutory changes <ul style="list-style-type: none">➤ Various sections of the Growth Management Act could be impacted. The actual sections would depend on the specific changes proposed.
Potential budgetary impacts <ul style="list-style-type: none">➤ Increasing the role Commerce in local planning could have an impact on the agency's (and therefore state's) budget. The level of budget increase would depend on the services Commerce would provide.➤ One option outlined above to offset some costs could be decreasing planning grants to jurisdictions when Commerce provides certain types of assistance.➤ Some of the options outlined could increase or decrease planning requirements for local governments.➤ Increasing who must plan under RCW 36.70A.215 would increase costs for state grants to fund the program and counties and cities within those counties which would be required to implement new requirements.➤ Modifying RCW 36.70A.210 could require some jurisdictions to update Countywide Planning Policies more frequently. This would increase costs for counties and cities within those counties which would be required to implement new requirements.
New statutes or revision to existing statutes? New <input checked="" type="checkbox"/> Revision <input checked="" type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input type="checkbox"/> High <input checked="" type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force. Technical <input checked="" type="checkbox"/> Substantive <input checked="" type="checkbox"/>



Category: Adaptive Planning

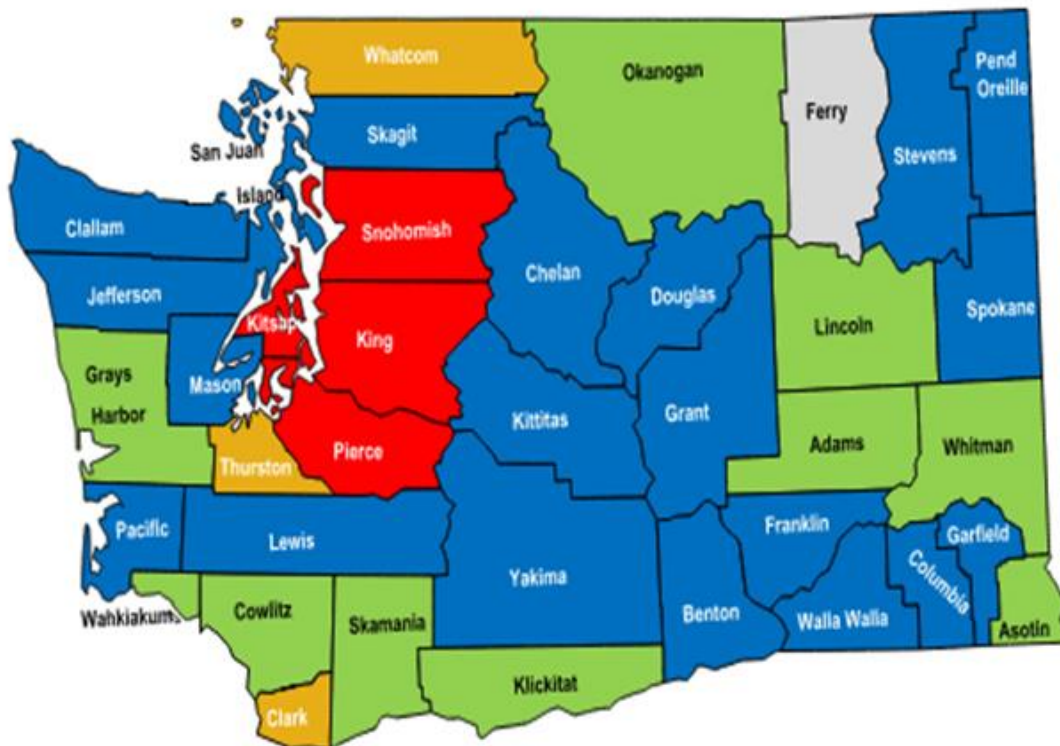
Topic: Varied Planning requirements

Is this issue based on recent legislation? Yes ☐ No ☒

If yes, link to the most recent legislation.

ATTACHMENT A

Range of planning requirements by county under the Growth Management Act (GMA)



GMA 1.0	GMA 2.0	GMA 3.0	GMA 4.0	GMA 5.0
Fully Planning + Buildable Lands + Vision 2050	Fully Planning + Buildable Lands	Fully Planning	Partially Planning	Partially Planning + Rural Element
4 Counties 4,264,200 Pop.	3 Counties 1,018,200 Pop.	22 Counties 1,993,720 Pop	10 Counties 372,170 Pop.	1 County 7,910 Pop.
95% of State population is fully planning under GMA			5% of State population is partially planning under GMA	
Comprehensive Plan Periodic Update Schedule			Conserve Resource Lands Protect Critical Areas	Conserve Resource Lands Protect Critical Areas Rural Element
Conserve Resource Lands Protect Critical Areas	Conserve Resource Lands Protect Critical Areas	Conserve Resource Lands Protect Critical Areas		
Comprehensive Plans and Development Regulations	Comprehensive Plans and Development Regulations	Comprehensive Plans and Development Regulations		
Countywide Planning Policies Urban Growth Areas Rural Element	Countywide Planning Policies Urban Growth Areas Rural Element	Countywide Planning Policies Urban Growth Area Rural Element		
Concurrency Essential Public Facilities	Concurrency Essential Public Facilities	Concurrency Essential Public Facilities		
Impact Fees authorized 4 th Qtr. REET authorized	Impact Fees authorized 3 rd Qtr. REET authorized	Impact Fees authorized 3 rd Qtr. REET authorized		
Growth Hearings Board	Growth Hearings Board	Growth Hearings Board		
State Environmental Policy Act Shoreline Management Act Planning Enabling Act Subdivision Act Land Use Petition Act Regional Transportation Planning Watershed Planning Voluntary Stewardship Program				



2022 Task Force Topic Sheet

Category: Adaptive Planning

Topic: Reduce conflicts, gaps, redundancies and improve processes

Topic Overview: Cities and counties across Washington State implement a wide range of statutes that collectively are known as the growth policy framework (*See attachment A below*). The growth policy framework consists of state laws that govern or influence the strategies state agencies and local governments use to plan for, implement, and manage land use policy, permitting and appeals, infrastructure, and environmental protections.

In many cases, more than one statute is used by a state agency or local government as part of a process to plan and develop land use policy, permit projects and guide appeal processes, permit infrastructure projects, and implement environmental protections. Discussion and recommendations on this issue would look at where there may be opportunities to reduce conflicts, gaps, redundancies and improve processes within the growth policy framework. Understanding of other important values, such as protection of the environment or participation during important planning processes, will be evaluated as part of this topic.

Problems this topic could address:

- **Language:** terminology between or within existing statutes or implementing rules may not be internally consistent at times. This can cause confusion.
- **Permits:** redundancies or overlaps between statutory goals, requirements, and processes makes issuing permits in a timely and predictable manner more time consuming for local governments and complicated for those submitting permit applications or participating during land use processes.
- **Appeals:** land use and permitting appeal processes vary under different statutes and are difficult to understand and navigate. There could be advantages to reviewing and syncing appeals processes under various statutes.

Preliminary recommendation options:

1. **Find opportunities to sync and better integrate permit process and land use decisions** under [RCW 36.70B](#) (Local project review) with the requirements of [RCW 43.21C](#) (State Environmental Policy Act - SEPA), [RCW 36.70](#) (Planning Enabling Act), and implementing SEPA rules.
2. **Review Plan adoption, permitting, and appeal processes** and differences between and within the growth policy framework statutes. This could include, but is not limited to, reviewing plan adoption, appeals, and permit process differences between [RCW 36.70A](#) (Growth Management Act - GMA) vs. [RCW 90.58](#) (Shoreline Management Act - SMA) and other statutes.
3. **Find opportunities to better align** permit processing timelines, processes, and permit data requirements in RCW 36.70B with the goal in [RCW 36.70A.020\(7\)](#) stating "... both state and local government permits should be processed in a timely and fair manner to ensure predictability."
4. **Identify statutory terms or language changes** to provide internal consistency with terms. This could also include recommendations to revise certain rules to sync up language.

How these problems are impacting people/groups:

- Conflicts, gaps, redundancies in our growth policy framework could increase the timeframe to permit and build more affordable housing and create new jobs.



Category: Adaptive Planning
Topic: Reduce conflicts, gaps, redundancies and improve processes
<ul style="list-style-type: none">➤ Conflicts, gaps, redundancies make it more difficult for people to meaningfully understand processes and meaningfully participate when land use policy is developed and adopted or permits for various land uses are processed.➤ Statutory terms or language which is not internally consistent or varies among different laws may make participation in legislative or quasi-judicial processes more difficult.
Statutory changes: <ul style="list-style-type: none">➤ Several statutes could be impacted (including but not limited to the following). This could also require corresponding Washington Administrative Code (WAC) updates if legislative changes are made.<ul style="list-style-type: none">○ RCW 36.70A (Growth Management Act)○ RCW 36.70B (Local Project Review Act)○ RCW 36.70C (Judicial Review of Land Use Decisions)○ RCW 36.70 (Planning Enabling Act)○ RCW 43.21C (State Environmental Policy Act)○ RCW 58.17 (Subdivision Statutes)○ RCW 90.58 (Shoreline Management Act)○ Title 35 RCW (Cities and Towns)○ RCW 36A.63 (Planning and Zoning in Code Cities)
Budget impacts: <ul style="list-style-type: none">➤ Budgetary impacts would most likely be related to any changes regarding appeals processes or revised guidance developed and issued by state agencies regarding statute changes.➤ This could affect the budgets of agencies like the Departments of Commerce, Ecology, and Natural Resources.➤ Local governments could be impacted through having to update policies or codes to reflect legislative changes.
New statutes or revision to existing statutes? New <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input type="checkbox"/> High <input checked="" type="checkbox"/>
Are the required changes technical, substantive, or both? Technical <input checked="" type="checkbox"/> Substantive <input checked="" type="checkbox"/>
Is this issue based on recent legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, link to the most recent legislation. <div>While this topic is not specifically based on recent legislation, there are numerous bills which could provide or assist in moving through the various topics.</div>

ATTACHMENT A

The growth policy framework consists of state laws that govern or influence the strategies state agencies and local governments use to plan for, implement, and manage land use policy, permitting and appeals, infrastructure, and environmental protections.

Growth Policy Framework – primary statutes
Growth Management Act – RCW 36.70A
Shoreline Management Act – RCW 90.58
State Environmental Policy Act – RCW 43.21C
Local Project Review Act – RCW 36.70B
Land Use Petition Act – RCW 36.70C
Planning Enabling Act – RCW 36.70
Subdivision Statute – RCW 58.17

Growth Policy Framework – additional statutes	
Water System Coordination Act – RCW 70A.100	School Districts – RCW 28A
Regional Transportation Planning – RCW 47.80	Forest Practices – RCW 76.09
Interlocal Cooperation Act – RCW 39.34	Energy Facilities – RCW 80.50
City, Noncharter Code City, and County Governance – RCW 35 , 35A , 36	State Agencies and Universities – RCW 28B (higher ed) and RCW 43 (agencies)
Port Districts – RCW 53	Community Redevelopment Financing – RCW 39.89
Water and Sewer Districts – RCW 57	Multi-Family Property Tax Exemption – RCW 84.14
Public Utility Districts – RCW 54	Impact Fees – RCW 82.02
State Building Code – RCW 19.27	



2022 Task Force Topic Sheet

Category: Annexations

Topic: Role of local government and special districts in annexations

Issue Overview: Per the Growth Management Act (RCW 36.70A.110(4)), cities are the units of local government most appropriate to provide urban governmental services. In practice, this means that cities are often expected to provide a range of urban services when an area is annexed from a county. However, not all cities provide all utilities and services, and special districts (including water and sewer districts and emergency services) play an important role in annexations. As outlined with A Road Map to Washington's Future (Road Map I), this issue is focused on identifying areas of agreement for reforming annexation laws in a way that streamlines the process and removes barriers to annexation of land adjacent to existing cities, maintains the fiscal sustainability of counties, clarifies the role of special districts, and reduces conflicts.

Problems:

- **Service providers are decentralized.** This means there are overlapping layers of complexity as areas annex.
- **Annexation can be very costly.** This is especially difficult if an annexation takes multiple attempts.
- **Cities and special districts at odds.** Not all cities provide all services. Special districts may actively oppose annexations if it may impact the services they provide.
- **The tax incentive** is often not strong enough to encourage cities from annexing certain areas.
- **Annexation of areas** with a high tax base has an impact on the fiscal sustainability for counties.
- **Counties are a structural disadvantage.** They stand to lose tax base and are disproportionately reliant on property and sales taxes for revenue.

Preliminary recommendation options:

8. **Sales tax incentive (from 2021 recommendations)**
9. **Ways to resolve or prevent conflicts between annexing jurisdictions and service providers:** broadening where interlocal agreements can take place, adding opportunities for special districts to participate in interlocal agreements or boundary review boards.
10. **Identify options to provide counties more financial stability over the long term.** This could involve a recommendation for future study. This could include issues like the property/sales tax imbalance that results in counties losing tax base.

How these problems are impacting people/groups:

- Potential impacts on levels of service and tax rates.
- Positive or negative impacts from changing who is responsible for providing services.

Statutory changes:

- RCW 35.13: annexation of unincorporated areas



Category: Annexations
Topic: Role of local government and special districts in annexations
<ul style="list-style-type: none">➤ <u>RCW 35A.14</u>: annexation by code cities➤ <u>RCW 35.10</u>: consolidation and annexation of cities and towns➤ <u>RCW 36.70A.110</u>: comprehensive plans – urban growth areas
Budgetary impacts: <ul style="list-style-type: none">➤ Potential budgetary impacts from sales tax incentives.
New statutes or revision to existing statutes? New <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input checked="" type="checkbox"/> High <input type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force. Technical <input type="checkbox"/> Substantive <input checked="" type="checkbox"/>
Is this issue based on recent legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, link to the most recent legislation. <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>



2022 Task Force Topic Sheet

Category: Integrating planning

Topic: Human Health and Wellbeing in the Growth Management Act

Issue Overview: Fully planning cities and counties across Washington State must engage in comprehensive planning that addresses several required and optional elements. A Road Map to Washington's Future (Road Map I) called for creation of a new goal in the GMA focused on human health and wellbeing that every city and county would use as a guidepost when developing policies and development regulations.

Problems:

- **Elevation of issue.** Human health and well-being is impacted by virtually every decision jurisdictions make on managing growth but is not formally identified as a goal.
- **Previous recommendations:** The Road Map to Washington's Future (Roadmap I) identified the recommendations below. The Task Force has an opportunity to develop specific language and outline the approaches that state agencies could take when developing guidance. However, adding new goals does not result in implementation.

Preliminary recommendation options:

11. **Consider developing a new planning goal to the GMA on human health and well-being.** If a goal is put in place, the Task Force could identify where in the GMA human health and well-being could be implemented.
12. **Consider encouraging human health and well-being focus in Countywide Planning Policies (CPPs).**
13. **Provide option for Departments of Health and Commerce to develop guidance and tools.** This could include a guidebook and potential for state agency assistance with analysis and implementation.

How these problems are impacting people/groups:

- As the past two years of the COVID-19 pandemic have shown, human health and wellbeing is tightly linked to every aspect of how our communities are planned and developed. There is also a tight link between equity and human health and well-being, so the equity and human health issues should be examined in conjunction with each other.

Statutory changes:

- RCW 36.70A.020 – planning goals
- RCW 36.70A.210 – countywide planning policies

Budgetary impacts:

- Adding Commerce and/or Health assistance and collaboration would have a budget impact.

New statutes or revision to existing statutes? New ☐ Revision ☒



Category: Integrating planning
Topic: Human Health and Wellbeing in the Growth Management Act
Complexity – time to develop recommendations: Low <input checked="" type="checkbox"/> Medium <input type="checkbox"/> High <input type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force. Technical <input type="checkbox"/> Substantive <input checked="" type="checkbox"/>
Is this issue based on recent legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, link to the most recent legislation. <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>

ATTACHMENT A

Road Map to Washington's Future – p. 101

HUMAN HEALTH AND WELL-BEING

Protecting human health is a key purpose named in the GMA, SMA, and SEPA, and provides a policy basis for much of the regulatory and programmatic structure of these and other state laws. Recent research and practice in planning, civil engineering, and public health have explored ways to address the health implications of public policies that shape the built environment and impact the natural environment.

Public health professionals across the state have created tools, such as healthy community planning programs and health impact assessments, to advance public health in the design and implementation of land use plans and infrastructure including schools, parks, state highways, county roads, and city streets. The Washington State Department of Public Health (DOH) has explored the links between community health and the environment, and mapped health disparities in Washington.

- Add a Planning Goal to the GMA on Human Health and Well-Being. Elevate and fund the implementation of human health and well-being as a goal in growth management planning and implementation, including the design and location of transportation and other infrastructure, land use plans, and development regulations.
- Prepare a "comprehensive planning and civic design for public health" guidebook to assist state agencies and local governments on ways they could factor human health and well-being into updating their comprehensive plans, and the design and implementation of capital facilities such as state highways, county roads, city streets, and public parks. This could be a joint effort of the Departments of Commerce and Health, in consultation with tribal governments, state agencies, local governments, public health professionals, and county public health departments.

**Vision 2050**

P. 62: Land use, transportation, economic development, and human health are interconnected and therefore require integrated planning, regulations, and implementation actions. For example, the region's transit and trail systems can provide access to both jobs and to the region's open spaces, which support rural economies and the health of urban residents. Trees and vegetation provide habitat for pollinators, which in turn support the region's farm economy and food systems.



2022 Task Force Topic Sheet

Category: Integrating planning

Topic: Equity and environmental justice in the Growth Management Act

Topic Overview: A Road Map to Washington’s Future (Road Map I) and Updating Washington’s Growth Policy Framework (Road Map II) projects introduced the idea of an equity goal in the Growth Management Act (GMA). Road Map I recommended creating an equity goal in the GMA. Road Map II furthered that conversation to include environmental justice along with equity. Puget Sound Regional Council (PSRC) counties and cities (King, Pierce, Snohomish, and Kitsap) already implement regional policies on equity and displacement, which is an adaptive planning approach.

Problems this topic could address:

GMA goals are adopted to guide the development and adoption of comprehensive plans and development regulations of counties and cities.

- **Elevation of issue - equity.** While specific [comprehensive plan elements](#) address equity issues, if not by name, equity is not a formal goal of the GMA. The addition of a new goal could help guide how this could be further implemented in our growth policy framework in the future.
- **Elevation of issue.** Environmental justice is not mentioned within the GMA. The addition of a goal could assist in providing guidance as to how this topic would be integrated into planning requirements. The addition of a new goal or goals could help guide how this could be implemented in our growth policy framework in the future.

Preliminary recommendation options:

14. **Consider drafting language for a new GMA goal related to equity and environmental justice.** If a goal is put in place, we recommend highlighting other places in the GMA where equity is already addressed or should be addressed. This could also include whether existing goals could be modified to reflect an equity/environmental justice focus.
15. **Consider revision to CPP statute encouraging equity and environmental justice focus in Countywide Planning Policies (CPPs).** In terms of adaptive planning, this could be only in certain counties (like Buildable Lands counties, for example) or in in certain counties that meet a growth threshold per Adaptive Planning approach.
16. **Provide option for Department of Commerce to review and assist with equity/environmental justice analysis.** This could include preparation of guidance to outline options for inclusion of equity and environmental justice into local government planning.

How these problems are impacting people/groups:

- Equity is a crucial lens through which to view policies and regulations that implement them. While some equity issues, like displacement, are addressed in the Housing Element of comprehensive plans and in regional planning in the Puget Sound region, it lacks an overall focus in the growth policy framework.
- Equity issues are very different in different parts of the state, and while PSRC’s displacement tool can be helpful for communities in the four-county region, the rest of the state may be dealing with various equity issues without good guidance from the state.



Category: Integrating planning
Topic: Equity and environmental justice in the Growth Management Act
Statutory changes: Several statutes could be impacted (including but not limited to the following). This could also require corresponding Washington Administrative Code (WAC) updates if legislative changes are made. ➤ RCW 36.70A.020 – planning goals ➤ RCW 36.70A.070 – .110 – several GMA sections guiding Comprehensive plan development ➤ RCW 36.70A.210 – countywide planning policies
Budgetary impacts: ➤ Adding Commerce assistance and/or guidebook development would have a budgetary impact. ➤ Additional off new planning goals may also include new planning requirements to implement the goal. This could impact both state and local governments.
New statutes or revision to existing statutes? New <input checked="" type="checkbox"/> Revision <input checked="" type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input checked="" type="checkbox"/> High <input type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force. Technical <input type="checkbox"/> Substantive <input checked="" type="checkbox"/>
Is this issue based on recent legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, link to the most recent legislation. <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>

ATTACHMENT A

Road Map 1

5.1 Integrate Equity Into Growth Planning Participants all across the state said an equitable approach to growth and development is missing, and not addressed in the current growth planning framework. Participants talked about needing to look at State and local policies, investments, and programs through a race and social justice lens, to develop more equitable growth planning strategies that do more to reduce current disparities, and to create new policies and measures to achieve equity. The desire for equity and social justice was commonly expressed as an element of a desired future that shifts from an “us versus them” mentality towards relationship building and understanding.

Action 5.1 Integrate equity as a goal in growth planning, policies, strategies, and implementing actions, including adopting it as a goal of the GMA and an adaptive management regionally-based approach, if developed.

- Advance local, regional, and statewide policies and investments that eliminate inequity. Develop metrics to evaluate the effectiveness of efforts.
- Develop evaluation tools to determine the impacts of land use, and state and local transportation investments, on vulnerable populations and disadvantaged communities.
- Provide model community indicators, performance measures, and policy analysis tools developed by the State to assist cities, counties, and state agencies in addressing race and social equity in their plans, policies, and projects. Use lessons learned from cities and counties that apply a race and social justice lens to policies, programs, and projects. (p. 88)

Road Map 2

EQUITY AND INCLUSION

According to many participants, social, cultural, racial, gender, and economic diversity is an important aspect of a desired future, as are social equity and social justice. Participants expressed this in a number of ways, including desiring a future that addresses income inequality, distribution of community resources, race and social justice, and gentrification, and that creates a fair and inclusive society, with opportunities for all. Many Next Generation participants envisioned a future that included safety nets for low-income residents and sanctuary for undocumented persons. Many urban, but especially rural participants, long for a future where youth can stay living and working in the community in which they grew up, and where the community is not only comprised of older people. Equity was also an important element of a positive future for participants in the Latinx workshop. Their vision of the future included less disparity in addressing their basic needs and allocating community resources including having basic infrastructure, clean water, appropriate street lighting, playgrounds, bike lanes, and sidewalks. For participants in the Latinx workshop, equity included fair wages, absence of workplace abuse, and reasonable working hours. The vision for equity also included a reduction of disparities between communities in eastern and western Washington, and that resources are better distributed from a macroeconomic perspective. Overall, many participants envisioned a future where equity is at the forefront of policymaking. Many participants desired a future that shifts from a “us versus them” mentality toward relationship-building and understanding.

Road Map Final Report, p. 26.

Potential reforms to PLANNING GOALS re: EQUITY & ENVIRONMENTAL JUSTICE RCW

36.70A.020 is amended to read as follows: Planning Goal (12) Environmental justice. Promote environmental justice. Develop and apply fair land use and environmental policy based on respect and justice for all peoples and seek to eliminate environmental and health disparities.

Potential reforms to DEFINITIONS re: EQUITY & ENVIRONMENTAL JUSTICE

RCW 36.70A.030 is amended to read as follows: . (13)“Environmental justice” means the fair treatment and meaningful involvement of all people regardless of race, color, national origin or income with respect to the development, implementation, and enforcement of environmental laws, regulations and policies. This includes using an intersectional lens to address disproportionate environmental and health impacts

by prioritizing highly impacted populations, equitably distributing resources and benefits, and eliminating harm.

RCW 36.70A.140 is amended to read as follows:

Potential reforms to PUBLIC PARTICIPATION re: EQUITY & ENVIRONMENTAL JUSTICE Each county and city that is required or chooses to plan under RCW 36.70A.040 shall establish and broadly disseminate to the public a public participation program identifying procedures providing for early and continuous public participation in the development and amendment of comprehensive land use plans and development regulations implementing such plans. The department shall prepare and disseminate to all local governments best practices to achieve equitable and inclusive citizen public participation in order to engage those members of the public and populations who have historically been underserved and under-represented in the formulation of public policy. By no later than June 30, 2023, counties and cities shall determine which of these practices to incorporate in updated public participation programs.

Vision 2050

P. 17: Equity. All people can attain the resources and opportunities to improve their quality of life and enable them to reach their full potential.

P. 20. VISION 2050 works to address current and past inequities, particularly among communities of color, people with low incomes, and historically underserved communities. It works to ensure that all people have access to the resources and opportunities to improve their quality of life. Recognizing that growth will put pressure on communities, VISION 2050 also seeks to reduce the risks of displacement of lower-income people and businesses through elevating social and racial equity in regional planning and encouraging integration of equity in local plans. PSRC will collaborate with its members and community partners to develop a regional equity strategy to advance this work and create and maintain tools and resources to better understand how regional and local policies and actions can address inequities.

P. 32. All people have the means to attain the resources and opportunities that improve their quality of life and enable them to reach full potential. Communities of color, historically marginalized communities, and those affected by poverty are engaged in decision-making processes, planning, and policy-making.

2022 Task Force Topic Sheet

Category: Integrating planning

Topic: Integrating water, sewer, school, and port districts into the Growth Management Act (GMA)

Topic Overview: Cities and counties are not the only service providers for capital facilities which are necessary to support growth. School districts, port districts, and water and sewer districts are often distinct from cities and counties. In many cases they have separate administrative structures and boundaries that cross multiple city and county boundaries. Prior reports and studies have pointed to the need to better integrate water, sewer, school, and port districts into planning under the GMA.

While the GMA requires cities and counties to coordinate with special district on the development of a [capital facilities plan](#), statutes governing special districts are not always designed to link with planning requirements cities and counties perform.

Problems this topic could address:

- **Confusion, conflict, competition:** A Road Map to Washington’s Future (Road Map I) noted that excluding special purpose districts from local government growth planning has spawned confusion, competition, and conflict among cities, counties, and special districts. Examples include when a special district makes a system funding commitment to serve a portion of a UGA, only for the county to then remove the area from the UGA.
- **Statute updates:** Some of the relevant sections of title [53 RCW](#) (port districts), for example, have not been updated to reflect the GMA and related statutes. Syncing these important statues up could increase coordination, especially as growth is planned for.

Preliminary recommendation options:

17. **Clarify GMA about role of special districts in incorporated cities and UGAs.** This includes potentially modifying RCW 36.70A.110 to require coordination with special purpose districts when proposing to add or remove land from Urban Growth Areas.
18. **Sync up GMA with statutes and administrative code governing utility district planning.** RCW 36.70A.070(3) specifies that local governments’ comprehensive plans under the GMA must include a capital facilities element that plans for capital facilities “owned by public entities,” which would include special districts. RCW 36.70A.100, Title 53 RCW (port districts), and Title 57 (water and sewer districts) could be modified to include that general comprehensive plans of special purpose districts shall be coordinated with and consistent with the comprehensive plans of the cities and counties under the capital facilities element.
19. **Link comprehensive planning for water and sewer districts with GMA planning where appropriate:** Water and sewer districts must plan facilities to serve existing needs and those into the reasonably foreseeable future (RCW 57.16). This could include planning time horizons, consideration of adopted growth targets, and other areas where GMA planning affects water and sewer district planning decisions.
20. **Update enabling statutes and administrative code for special districts:** Some special districts, like school districts, are governed by distinct sets of state statutes, agencies, and administrative code. The Task Force could consider how to involve the Office of the Superintendent of Public Instruction in updating administrative code and guidance for individual districts.

Category: Integrating planning
Topic: Integrating water, sewer, school, and port districts into the Growth Management Act (GMA)
How these problems are impacting people/groups: <ul style="list-style-type: none"> ➤ Inadequate coordination between special purpose districts and cities and counties could impact the ability to provide housing, jobs, and infrastructure for future residents under the GMA.
Statutory changes: Several statutes could be impacted (including but not limited to the following). This could also require corresponding Washington Administrative Code (WAC) updates if legislative changes are made. <ul style="list-style-type: none"> ➤ RCW 36.70A.070(3-4) ➤ RCW 36.70A.212 ➤ RCW 57.16 (comprehensive plan – local improvement districts) ➤ RCW 57.02 (general provisions, water and sewer districts) ➤ RCW Title 53 (port districts) ➤ RCW 28A.525 (school bond issues) ➤ Several of these changes will also require changes/updates to the Washington Administrative Code (WAC). For example, school district planning is guided by the Office of the Superintendent of Public Instruction (OSPI) through WAC 392-341-020, which requires a school district to prepare a study and survey for new facilities to be reviewed by the OSPI. OSPI produces a manual for districts that covers advance planning and also produces district-specific enrollment projections (covered in WAC 392-343-045) through an official OSPI Cohort Survival Enrollment Projection.
Budgetary impacts: <ul style="list-style-type: none"> ➤ Not known at this time. Budgetary impacts would depend on the range of changes the Task Force may consider.
New statutes or revision to existing statutes? New <input type="checkbox"/> Revision <input checked="" type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input type="checkbox"/> High <input checked="" type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force.
Technical <input checked="" type="checkbox"/> Substantive <input checked="" type="checkbox"/>



Category: Integrating planning

Topic: Integrating water, sewer, school, and port districts into the Growth Management Act (GMA)

Is this issue based on recent legislation? Yes ☐ No ☒

If yes, link to the most recent legislation.

ATTACHMENT A

A Road Map to Washington's Future (Roadmap 1)

Many participants talked about needing better coordination between counties and cities and special purpose districts. Participants said that excluding special purpose districts from the GMA framework has spawned confusion, competition, and conflict among counties, cities, and special districts and made implementation of GMA difficult. They said that special purpose districts, such as water, sewer, school, and port districts are important components of the growth planning framework and should be integrated into GMA planning.

- Integrate water and sewer districts, school districts, and port district planning into the GMA. (p. 107)



2022 Task Force Topic Sheet

Category: Housing

Topic: Tax incentives to encourage higher density housing and necessary infrastructure

Topic Overview: Housing has been a focus of legislative efforts in recent sessions and was a topic on which prior reports and studies focused. The Road Map to Washington's Future (Roadmap 1) and Updating Washington's Growth Policy Framework (Roadmap 2) both highlighted the need to reform the state's tax structure to improve and provide fiscal tools for cities and counties which will encourage housing at higher densities within urban areas. See Attachment A.

While broad tax reform may be beyond the scope of this project, the Task Force can weigh in on several tax and revenue generation options that could encourage housing: this includes implementation of housing benefit districts, implementation of a land value tax, and recent legislation which has provided taxing options, including HB 1157 (Attachment B).

Problems this topic could address:

- **Systemic imbalances in jurisdictions' ability to pay for public services:** As the Road Map projects noted, cost of providing services has consistently outstripped the ability of jurisdictions to raise funds via local taxes to pay for services.
- **Inequitable property tax structure:** Taxing property based on land and improvement values together can incentivize speculation and lead to perverse incentives that result in underinvestment in the highest value areas and overinvestment in areas where the per capita cost of providing services is much higher. This can also lead to structural issues for counties and rural areas, where property taxes can present a burden above and beyond what development pressure would suggest.
- **Incentives to cities and counties to increase densities in urban areas:** Certain options could provide strong incentives for cities and counties to increase residential densities, especially in areas that are in close proximity to transit.

Preliminary recommendation options:

21. **Review and provide recommendations on taxing options** that could encourage middle and higher density housing near transit and that may provide ways to help pay for capital facilities necessary to support growth.

How these problems are impacting people/groups:

- Inadequate provision of infrastructure is extending and deepening the crisis of housing availability and affordability that has plagued the region for years.
- Options which result in providing a variety of housing types at all income levels could assist with our regional housing crisis.

Budgetary impacts:



Category: Housing
Topic: Tax incentives to encourage higher density housing and necessary infrastructure
➤ Changing how property is taxed at the state level would have an impact on revenue generated.
New statutes or revision to existing statutes? New <input checked="" type="checkbox"/> Revision <input type="checkbox"/>
Complexity – time to develop recommendations: Low <input type="checkbox"/> Medium <input type="checkbox"/> High <input checked="" type="checkbox"/>
Are the required changes technical, substantive, or both? Technical changes alone could be run through working groups primarily, while substantive changes (new GMA comp plan elements, for example) would have to be worked extensively through the Task Force. Technical <input type="checkbox"/> Substantive <input checked="" type="checkbox"/>
Is this issue based on recent legislation? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, link to the most recent legislation. House Bill 1157

ATTACHMENT A

A Road Map to Washington’s Future (Roadmap 1)

“Participants also suggested evaluating tools and approaches used in other states, for example, regional tax base sharing, tax increment financing, value-added, personal and corporate income taxes. For example, some participants suggested amending state law to enable Tax Increment Financing (TIF), a tool that is available in most other states, including Oregon. Participants pointed to public parks, utility systems, and housing projects built in Portland and Lake Oswego, Oregon as examples of what can be achieved with TIF. Some participants believed that TIF is the only way to create the large amounts of revenue to pay for large-scale capital projects that will be needed to support growth, particularly in areas that are rezoned to higher densities but lack adequate water, sewer, roads, parks, or drainage facilities. Some suggested that research about the successes and challenges in other states could inform ways to design a TIF system that is targeted to specific kinds and locations of projects and is transparent and accountable.” (p. 44, What is Not Working Well in the Growth Planning Framework and Ideas for Improvements)

"To address housing issues, participants also talked about needing greater collaboration between the public and private sector, to connect public policy to emerging market trends, and the need to tap private sector innovation, support, and resources to help finance or underwrite new housing starts. Also suggested was for affordable housing be treated as public infrastructure that serves a documented public need, and as such should be publicly funded, built, and managed, potentially by a regional authority with access to new fiscal tools, such as tax increment financing (TIF). Preliminary research has been done on both potential revisions to the MFPTE program and the possibilities for TIF (See UW Fiscal Tools Report in Volume II)." (p. 49, What is Not Working Well in the Growth Planning Framework and Ideas for Improvements)

"Action 1.1

Focus legislative efforts on enhanced state funding and new fiscal tools that enable cities, counties, regions, and state agencies to address needs and manage growth.

[...]

- Consider changes to the entire state tax and revenue system including the property tax, retail sales tax, real estate excise tax, gasoline tax, road tax, business and occupation tax, impact fees, and open space and multifamily property tax exemption programs.
- Examine potential additional fiscal tools available in other states including tax increment financing, regional tax base sharing, value added, and personal and corporate income taxes, at the statewide or regional scales." (p. 82, Transformational and Systemic Change Actions)

ATTACHMENT B

House Bill 1157 - Increasing housing supply through the growth management act and housing density tax incentives for local governments.

Summary of Bill: Real Estate Excise Tax Density Incentive Zones. Planning counties and cities are authorized to establish REET density incentive zones. A REET density incentive zone is an area within a UGA where the city or county adopts zoning and development regulations to increase housing supply by allowing construction of additional housing types as outright permitted uses.

Upon establishing an incentive zone, the local government receives a portion of the state REET imposed for sales of qualified residential dwelling units within the incentive zone. A qualified residential dwelling is either an individual residential dwelling unit or a residential building of two or more dwelling units constructed within an incentive zone that achieves a net increase in the total number of residential dwelling units compared to the maximum number of residential dwelling units that could have been built prior to the adoption of zoning and development regulations creating the incentive zone. To be included as qualified residential dwelling units, the units must be restricted from being offered as short-term rentals for more than 30 days a year for the first 15 years after construction, and the county or city must determine how the residential dwelling units are to be restricted from being short-term rentals within their respective jurisdictions. An incentive zone may only be located within a UGA and must allow single-family detached dwellings at a net density of at least six dwelling units per acre, duplexes, triplexes, fourplexes, townhomes, accessory dwelling units, and courtyard apartments.

An incentive zone may also allow housing types and densities that exceed the minimum UGA requirements as outright permitted uses. An incentive zone may not be established later than one year after the date by which a city or county is required to update its comprehensive plan. Once an incentive zone is established, a qualified residential dwelling unit may be constructed at any time. Prior to establishing an incentive zone, the city or county must:

- consider the race and income of existing residents within the area and adjacent neighborhoods to be designated;



- consider displacement impacts of low, very low, and extremely low-income residents within the area and the adjacent neighborhoods to be designated; and
- assess the need for antidisplacement policies for high-risk communities within designated areas and the adjacent neighborhoods and make the assessment publicly available.

REET collected within an incentive zone is distributed to a county or city as follows:

- for a qualified residential dwelling unit located less than or equal to 0.25 miles from a mass transit stop, 50 percent of the amounts collected to the city or county where the dwelling is located; and
- for a qualified residential dwelling unit located more than 0.25 miles from a mass transit stop, 25 percent of the amounts collected to the city or county where the dwelling is located.

The distribution to a city or county applies to both the initial and all subsequent sales of a qualified residential dwelling unit if the residential dwelling unit continues to meet the original requirements of a qualified residential dwelling unit. Counties must revalidate that the residential dwelling unit continues to meet the original applicable requirements on each subsequent sale of the residential dwelling unit. The amounts distributed to a city and county may only be used for:

- implementation of the housing element of the comprehensive plan under the GMA; costs for infrastructure, construction, and service support for moderate, low, very low, and extremely low-income housing;
- construction of capital facilities that promote livable and walkable neighborhoods; or
- creation of permanently affordable homeownership.



2022 Task Force Topic Sheet

Category: Housing

Topic: Defining and applying important terms and parameters related to provision of middle housing

Topic Overview: Providing for a variety of housing types at all income levels has been a focus of legislative efforts in recent sessions. This includes providing middle housing. In 2021, the legislature passed [HB 1220](#), which updated housing requirements for cities and counties that plan under the Growth Management Act (GMA).

During the 2022 legislative session, additional bills were introduced related to housing. This includes [HB 1782](#), focused on the creation of additional middle housing near transit and in areas traditionally dedicated to single-family detached housing. We expect a version of this bill and others to be reintroduced next session.

The Task Force has been asked to weigh on certain provisions from recent legislation. This includes defining important terms which based on how they are defined, could impact the applicability of housing legislation. This includes terms like middle housing, major arterials, major transit stop, and others that could be used across statutes.

Once terms are defined, Task Force work could also include applying the definitions to geographical areas so there is a better understanding of how recent legislation would or would not impact local zoning. This could help better define the problem we are trying to solve and where legislation should be applied.

Problems this topic could address:

- **Right-sizing housing requirements and transit service:** Recent legislation has linked minimum housing densities to the distance from major transit stops (for example). For areas close in proximity to certain types of transit, like light rail and commuter rail, it might make sense for housing that is far denser than what would be defined as middle housing. In fact, most areas around existing and planned rail stops are now or will be zoned for much higher density housing. However, there is a wide range of transit services and transportation corridor types where middle housing may not be provided for. This could be an opportunity to define terms, map these areas with zoning overlays, and see where there may be opportunities to make recommendations for housing and needed housing types. This process could provide a clearer picture of exactly the problem we are working to solve with housing legislation.
- **Severe lack of affordable homeownership opportunities:** A main thrust of the middle housing legislation has been the lack of affordable opportunities for homeownership for first-time homebuyers, those looking to downsize, and lower-income potential homebuyers. The median single-family home is unaffordable to the median family in many areas of the state, and requiring middle housing in some areas could result in the construction of more affordable housing types.

Preliminary recommendation options:

22. **Define middle housing.** This could include a change in statute and/or administrative code to assist the Department of Commerce and local jurisdictions in implementation of new statutes targeting middle housing.
23. **Define major arterials and major transit stops.** This could include a change in statute and/or administrative code to assist the Department of Commerce and local jurisdictions in implementation of new statutes targeting middle housing.



Category: Housing

Topic: Defining and applying important terms and parameters related to provision of middle housing

Is this issue based on recent legislation? Yes ☒ No ☐

If yes, link to the most recent legislation.

[HB 1220](#)

[HB 1099](#)

[HB 1782](#)

ATTACHMENT A

A Road Map to Washington's Future (Roadmap I)

HOUSING

A number of reports have been issued in recent years examining the availability of housing and home ownership by different segments of the population. These include The Invisible Crisis: A Call to Action on Middle Income Housing Affordability, Challenge Seattle (2019); Where Will We Live?, Our Valley, Our Future, (2018), the Regional Affordability Task Force Final Report, King County (2018); the Housing Affordability Response Team (HART) Recommendations (2017); and many more. Cities and counties across the state are exploring ways to apply the findings and recommendations from these and other housing reports. The lack of housing for the "missing middle," and the impacts of short term-rentals, were mentioned by Road Map participants from Walla Walla to Seattle, from the San Juan Islands to the Wenatchee Valley.

The State Department of Commerce could continue the work of the Affordable Housing Advisory Board and work with university and other partners to review these many reports. One objective might be to distill a suite of portable and scalable best practices to be shared with communities across the State. The associations of cities and counties could provide effective venues to disseminate information to communities across the state. Additional methods to share the results of such efforts could be explored by the Department of Commerce.

- Address availability of middle- income housing, low and middle-income homeownership, and the impacts of short-term rentals and investment homes on housing availability and affordability. (p. 96, Key Reforms)

Updating Washington's Growth Policy Framework (Roadmap II)

ISSUE AREA #3. HOUSING

Housing is a very broad issue, with many components that have been, and will be, studied and debated by many people, local governments, private sector, non-profit and academic sector organizations, state agencies and committees of the Legislature. Participants in the UW process were interested in many of those components, ranging from how to increase housing supply, both market rate and government subsidized, farmworker housing, homelessness, gentrification and displacement. Taking on all those components was clearly beyond our capacity, so our focus was on two areas: (1) middle housing as one component of potential future housing stock, and (2) potential improvements to development regulations and permit processes, which was actually addressed as a related but separate Issue area #4.

A presentation about “missing middle” housing was given at one of the group convenings by Chris Collier, the Program Manager at the Snohomish County Alliance for Affordable Housing. Using a slide deck (Appendix D) he cited data demonstrating the growing gap between housing costs and incomes in King and Snohomish County, and the relative dearth of housing that has been built in the “middle” between single family homes at one end of the scale and multifamily housing at the other end. He cited building statistics for the past decade showing the relatively small numbers being built in this “middle” category.

Mr. Collier said that up to 75% of the land area in the cities of these two counties is zoned exclusively for detached housing, thereby excluding the opportunity for middle housing forms such as duplexes, triplexes, courtyard apartments, etc. He pointed out that, by their exclusionary nature, zoning districts that allow only housing that is affordable to the wealthy necessarily exclude people who are not wealthy. For that reason, he pointed out, both the City of Minneapolis and the State of Oregon have recently reformed their land use laws to effectively prohibit exclusion of middle housing.

The reception to the idea of middle housing was mixed. Some saw it as an opportunity to increase housing supply and choice within urban growth areas. Others saw it as an inappropriate “one size fits all” approach that could not assure that any of the units would be affordable. Local government representatives said that they preferred approaches such as the grants authorized by HB 1923, the bill report for which is in Appendix C. They believed that this allowed for more local discretion and locally appropriate responses to the housing crises. It was pointed out that middle housing is already allowed in some cities in Washington, although that data was not readily available. What was available was information about the number of cities in the Central Puget Sound region who have been awarded HB 1923 planning grants to explore the middle housing alternative. That information is on Table 4.

There was no strong support for pursuing the middle housing reforms that were shared. There was likewise no enthusiasm for another proposal offered, which was to amend the GMA to make what are now advisory housing WAC into binding ones with the force of law. That was felt by many to take too long, up to three years, and some argued that it would also constitute a pre-emptive state role at the expense of local control.

No group consensus was reached on what, if any, action should be taken regarding GMA housing reforms. Going forward, it may be useful to gather data and measure the potential increase of housing supply under different approaches. For example, applying the middle housing approach that was described as one alternative (allowing it within ¼ mile of transit lines in the Central Puget Sound region) yielded a preliminary estimate of a potential gain in housing supply on the order of hundreds of thousands. See Table 5 and Figure 10. It would require a more sophisticated analysis of the GIS parcel data in the region to create a firmer estimate of potential increase in capacity, but that may be a worthwhile exercise. In any case, more data gathering, information, and analysis would seem appropriate to consider what the most timely and effective approaches there might be to address the existing and worsening housing shortage. (p. 31, Issue Area #3: Housing)

ATTACHMENT B

RCW 36.70A.070(2)

(2) A housing element ensuring the vitality and character of established residential neighborhoods that:

- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:

[...]

- (c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured

housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;

HB 1782 (2022 legislative session, did not pass)

(19) "Major transit stop" means:

- (a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW; (b) Commuter rail stops;
- (c) Stops on rail or fixed guideway systems, including transitways;
- (d) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes;
- (e) Stops for a bus or other transit mode providing actual fixed route service at intervals of at least 15 minutes for at least five hours during the peak hours of operation on weekdays; or
- (f) Washington state ferry terminals.

(20) "Middle housing" means duplexes, triplexes, fourplexes, attached and detached accessory dwelling units, cottage housing, stacked flats, townhouses, and courtyard apartments.

HB 1099 (2022 legislative session, did not pass)

(9) A climate change and resiliency element that is designed to result in reductions in overall greenhouse gas emissions and that must enhance resiliency to and avoid the adverse impacts of climate change. The greenhouse gas emissions reduction subelement of the climate change and resiliency element is mandatory for the jurisdictions specified in section 3(1) of this act and is encouraged for all other jurisdictions, including those planning under RCW 36.70A.040 and those planning under chapter 36.70 RCW. The resiliency subelement of the climate change and resiliency element is mandatory for all jurisdictions planning under RCW 36.70A.040 and is encouraged for those jurisdictions planning under chapter 36.70 RCW.

(a)

[...] (iv)(A) Until December 31, 2034, actions not specifically identified in the guidelines developed by the department pursuant to section 5 of this act, or considered to be consistent with those guidelines according to the process established in (a)(ii) of this subsection (9), must still be considered to be sufficient to meet the requirements of the greenhouse gas emissions reduction subelement, and must be approved by the department pursuant to section 6 of this act, if the actions provide for the authorization of the development of middle housing types.

(B) Nothing in this subsection (9)(a)(iv) prohibits the authorization of the development of single-family residences.

(C) For the purposes of this subsection (9)(a)(iv), "middle housing types" means accessory dwelling units and at least one of the following housing types: Duplexes; triplexes; or quadplexes, in all zoning districts within an urban growth area that permit detached single-family residences.

(D) For the purposes of this subsection (9)(a)(iv), an action must be deemed to provide for the authorization of the development of middle housing types, if the action:

- (I) Authorizes middle housing types on a lot or parcel under the same administrative process as a detached single-family residence in the same zoning district;
- (II) Establishes lot or parcel sizes that are sufficient to allow for the construction of middle housing types;
- (III) Establishes maximum density requirements that allow the development of middle housing types on each lot or parcel that allow for single-family residences;
- (IV) Establishes applicable siting or design standards that do not individually or cumulatively cause unreasonable costs, fees, or delays to the development of middle housing types; and
- (V) Either does not establish parking regulations for middle housing types, or, if the action does establish parking regulations for middle housing types, the action:
 - (1) Does not require off-street parking spaces for lots or parcels with an accessory dwelling unit or a duplex, or for lots or parcels that are less than 3,000 square feet;
 - (2) Does not require more than one off-street parking space for lots or parcels that are greater than or equal to 3,000 square feet but are less than 6,000 square feet;



- (3) Does not require more than 0.5 off-street parking spaces for each dwelling unit for lots or parcels greater than or equal to 6,000 square feet;
- (4) May allow on-street parking credits to satisfy off-street parking requirements;
- (5) Allows, but does not require, off-street parking to be provided as a garage or carport; and
- (6) Applies the same off-street parking surfacing, dimensional, landscaping, access, and circulation standards that apply to single family residences in the same zoning district.

Appendix B: 2022 Legislative Overview

A number of important growth policy-related bills were introduced in 2022, some of which became law. The table below provides the bill number and bill report links, bulleted provisions, and timelines on how far the bill progressed in the legislative process.

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		Growth Management			
SB 5042	Bill Report	<ul style="list-style-type: none"> Provides that the effective date of certain actions taken under the Growth Management Act (GMA) will be the later of the two following dates: 60 days after publication of notice of the action, or if a petition for review to the Growth Management Hearings Board (Board) is timely filed, the date on which the Board's final order is issued. Includes, in the list of actions under the GMA subject to the effective dates established in the bill: expansion of an Urban Growth Area; removal of the designation of agricultural, forest, or mineral resource lands; creation or expansion of a limited area of more intensive rural development; establishment of a new fully contained community; and creation or expansion of a master planned resort. 	Yes	Yes	Yes
HB 1099	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, climate change and resiliency/land use/transportation/park and recreation elements Comprehensive planning, climate change and resiliency/land use/transportation/rural elements Comprehensive planning, climate change mitigation goal and greenhouse gas emissions reduction subelement 	Yes	Yes	No

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 1117	Bill Report	<ul style="list-style-type: none"> • Adds salmon recovery as a goal under the Growth Management Act (GMA). • Requires the land use element of comprehensive plans adopted under the GMA to include a strategy that achieves net ecological gain of salmon habitat. • Requires the capital facilities element and transportation element of comprehensive plans adopted under the GMA to include a schedule for elimination of all identified fish passage barriers. • Requires the Department of Fish and Wildlife to adopt rules that establish criteria for net ecological gain which certain counties and cities must meet through adoption of comprehensive plans. 	Yes	Yes	No
ESHB 1241	Bill Report	<ul style="list-style-type: none"> • Increases the review and revision cycle for comprehensive plans under the Growth Management Act from eight to 10 years. • Extends the deadline for the next comprehensive plan update for King, Kitsap, Pierce, and Snohomish counties, and for the cities within those counties, from June 30, 2024, to December 31, 2024. • Requires certain counties and cities to submit an implementation progress report with certain required information to the Department of Commerce five years after reviewing and revising a comprehensive plan, and, if any action needed to implement changes in the most recent comprehensive plan update has not occurred at the time of the report, to create a work plan to take any needed actions within two years 	Yes	Yes	Yes

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 2001	Bill Report	<ul style="list-style-type: none"> Allows tiny house communities to be part of an affordable housing incentive program under the Growth Management Act. 	Yes	Yes	Yes
SHB 1981	Bill Report	<ul style="list-style-type: none"> Requires the Department of Commerce to undertake an evaluation of the costs to cities and counties to revise their comprehensive plans and ensure compliance with the Growth Management Act, with a report on the evaluation due to the Legislature due by December 1, 2022, and updates required every five years thereafter. 	No		
HB 1717	Bill Report	<ul style="list-style-type: none"> Requires local governments, upon receiving notice from a federally recognized Indian tribe, to enter into negotiations on a memorandum of agreement for collaboration and coordination with the tribe for participation in the planning process under the Growth Management Act, and provides for mediation if an agreement is not reached. Requires the Department of Commerce to provide notice to a tribe of a city or county's proposed adoption of a comprehensive plan upon request of the tribe, and to facilitate a dispute resolution process to attempt to resolve a tribe's concerns with a city or county's comprehensive plan or development regulations. Requires that a tribe that has a reservation or ceded lands within a county be invited to participate in the countywide planning process, and that, if the tribe does participate, that the planning process include policies that address the protection of tribal cultural resources in collaboration with the tribe. 	Yes	Yes	Yes

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 1458		<ul style="list-style-type: none"> Comprehensive planning, county/regional, Indian tribe participation/coordination agreements and consultations Comprehensive planning, port container elements, Indian tribe collaboration 	No		
SB 5971		<ul style="list-style-type: none"> Creates a comprehensive plan update and implementation account to assist local governments in the preparation of or amendment to comprehensive plans and/or development regulations. Authorizes the Department of Commerce to establish a safe harbor model ordinance that, once adopted by a city or county, is subject to a petition for review or appeal under limited circumstances. Defines parameters in which the Department of Commerce may administer the comprehensive plan update and implementation funds as well as standards of performance for local governments receiving funds. 	Feb 17 th hearing – budget bill not subject to cutoff No		
SB 5591		<ul style="list-style-type: none"> Comprehensive planning, emergency housing/ shelters, hotel purchased by city/county for, use/occupancy limits 	No		
SB 5685		<ul style="list-style-type: none"> Comprehensive planning, housing, adjusting UGA boundaries for sufficient suitable land for: Urban growth areas, boundary of, adjusting for sufficient housing-suitable land: 	No		
HB 1232	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, housing, all types of, housing element and planning requirements Comprehensive planning, housing, single-family residences, duplexes/townhouses/etc. in urban growth areas 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		<ul style="list-style-type: none"> Urban growth areas, single-family residences such as duplexes/townhouses/etc. in 			
SB 5189	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, housing, American dream homes, low-income single-family 	No		
SB 5269	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, housing, duplexes/townhouses/etc. in areas zoned for single-family housing 	No		
HB 1782	Bill Report	<ul style="list-style-type: none"> Requires cities planning under the Growth Management Act to authorize middle housing types or average minimum densities based on the population of the city. Requires the Department of Commerce to provide technical assistance to cities that authorize middle housing types or average minimum densities and to complete an evaluation on the costs to revise comprehensive plans. Requires the land use element of the comprehensive plan to include a built environment subelement. Adds additional requirements to the housing element of the comprehensive plan related to increased economic and racial integration, antidisplacement measures, and middle housing. Adds additional requirements to the land use and capital facilities plan elements related to middle housing. Allows the Department of Commerce to grant cities an implementation timeline extension when certain infrastructure deficiencies are identified. 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		<ul style="list-style-type: none"> Precludes new declarations and governing documents of a common interest community or homeowners' association within a city subject to the middle housing and density requirements from prohibiting such middle housing and density requirements. 			
SB 5670	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, housing, middle housing types on certain lots near "major transit stops": 	No		
HB 1157	Bill Report	<ul style="list-style-type: none"> Authorizes counties and cities to establish a real estate excise tax density incentive zone within urban growth areas and provides for the distribution of state real estate excise tax revenues within such incentive zones. 	No		
SB 5390	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, housing, multiple types in multiple locations with urban densities: 	No		
HB 1869	Bill Report	<ul style="list-style-type: none"> Comprehensive planning, salmon recovery element, optional, adoption by county or city: 	No		
SB 5312	Bill Report	<ul style="list-style-type: none"> Authorizes the use of appropriations to the Growth Management Planning and Environmental Review Fund to fund grants to cities to pay for certain planning-related costs related to transit-oriented development, including subarea plans and environmental impact statements. Requires the Department of Commerce to prioritize applications for grants to facilitate transit-oriented development to maximize certain specified objectives in the area covered by the grant proposal 	Yes	Yes	No
SB 5964	Bill Report	<ul style="list-style-type: none"> Requires local governments to exclude interior alterations from site plan review except under certain conditions. 	Yes	Yes	No

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		<ul style="list-style-type: none"> Requires the Department of Commerce to establish a Consolidated Permit Review Grant Program to administer grants to local governments that agree to comply with a specified residential permit application timeline and that establish a fee structure to enable the local government to continue providing review within that timeline. Requires the Department of Commerce to convene a Digital Permitting Process Work Group to examine aspects of digital permitting systems, with a report to the legislature and the Governor due August 1, 2023. 			
SB 5380	Bill Report	<ul style="list-style-type: none"> Comprehensive plans/regulations, project permit applications, after three reviews/information requests, deeming complete: Project permitting and review processes, for local projects, developing options for streamlining: 	No		
HB 1856	Bill Report	<ul style="list-style-type: none"> Critical areas on agricultural land, voluntary stewardship program for, extending date for counties to join: 	No		
SB 5314	Bill Report	<ul style="list-style-type: none"> Critical areas, designating, using best available science for: Fish and wildlife habitat conservation areas, designating, using best available science for: Hearings board, review of certain actions under GMA by, petition for, persons qualified to file: 	No		
HB 1337	Bill Report	<ul style="list-style-type: none"> Dwelling units, accessory, city/county adoption of model code requirements for, incentives: Urban growth areas, accessory dwelling unit construction in, funds distribution as incentive for: 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 1711	Bill Report	<ul style="list-style-type: none"> Dwelling units, accessory, city/county policies to encourage use for long-term housing: Dwelling units, accessory, city/county waiver or deferral of fees, tax payment, or specific regulations: Dwelling units, accessory, defining “major transit stop” in terms of frequency for purposes of: 	No		
HB 1660	Bill Report	<ul style="list-style-type: none"> Requires the housing element of a comprehensive plan to allow for the construction of accessory dwelling units within an urban growth area and requires the removal of barriers to such construction, including certain identified regulations. Removes exemptions in current law that would allow cities to require off-street parking for accessory dwelling units within a quarter-mile of a major transit center under certain circumstances and sets a deadline of July 1, 2023, for the removal of such provisions. Prohibits homeowners’ associations, common interest communities, and restrictive covenants from actively or effectively prohibiting accessory dwelling units within an urban growth area. 	Yes	Yes	No
SB 5648	Bill Report	<ul style="list-style-type: none"> Dwelling units, accessory, occupant limits in relation to short-term rentals and relevant to: 	No		
HB 1838	Bill Report	<ul style="list-style-type: none"> Fish and wildlife habitat conservation areas, designating, using best available science for: Salmon/anadromous fish, preservation/enhancement in critical areas under GMA, requirements: Salmon/steelhead, recovery of, supporting through GMA: 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
SB 5665		<ul style="list-style-type: none"> Fish and wildlife habitat conservation areas, designating, using best available science for: Salmon/anadromous fish, preservation/enhancement in critical areas under GMA, requirements: Salmon/steelhead, recovery of, supporting through GMA: 	No		
SB 5727		<ul style="list-style-type: none"> Fish and wildlife habitat conservation areas, designating, using best available science for: Salmon/anadromous fish, preservation/enhancement in critical areas under GMA, requirements: Salmon/steelhead, recovery of, supporting through GMA: 	No		
HB 1144	Bill Report	<ul style="list-style-type: none"> Hearings board, review of certain actions under GMA by, petition for, persons qualified to file: 	No		
HB 1436		<ul style="list-style-type: none"> Project permits, exemption from requirement for, when: 	No		
SHB 1233	Bill Report	<ul style="list-style-type: none"> Rural development, correcting land use patterns perpetuating disadvantages faced by immigrants and other peoples: Rural development, encouraging through various measures: Rural development, equity for communities of color/disadvantaged communities/indigenous peoples: Rural development, limited areas of more intensive, boundaries of, defining and expanding: Rural development, limited areas of more intensive, logical outer boundary of: 	No		
SB 5275	Bill Report	<ul style="list-style-type: none"> Allows development and redevelopment in terms of building size, scale, use, or intensity within a limited 	Yes	Yes	Yes

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		<p>area of more intensive rural development if all existing providers of public facilities and services confirm that there is sufficient capacity to serve the new or increased demand from the development.</p> <ul style="list-style-type: none"> Requires commercial development or redevelopment within a mixed-use area of a limited area of more intensive rural development to be primarily designed to serve the needs of the rural population, and sets limits on the size of retail or food service spaces within such development. 			
SB 5306	Bill Report	<ul style="list-style-type: none"> Salmon/anadromous fish, preservation/enhancement in critical areas under GMA, requirements: 	No		
HB 1653	Bill Report	<ul style="list-style-type: none"> Salmon/steelhead, recovery of, supporting through GMA: 	No		
SB 5593	Bill Report	<ul style="list-style-type: none"> Amends the current standards for jurisdictions to revise a designated urban growth area (UGA) or areas to include revisions based on patterns of development. Provides that any revision to the existing boundaries of a jurisdiction's UGA or areas may not result in an expansion of total surface area of the UGA if the revision is to accommodate patterns of development and anticipated urban growth. 	Yes	Yes	Yes
HB 1298	Bill Report	<ul style="list-style-type: none"> Urban growth areas, detached accessory dwelling units located outside of, requirements: 	No		
SB 5221	Bill Report	<ul style="list-style-type: none"> Urban growth areas, detached accessory dwelling units located outside of, requirements: 	No		
HB 1627	Bill Report	<ul style="list-style-type: none"> Urban growth areas, water/storm drain/sanitary sewage facilities extension beyond: 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		<ul style="list-style-type: none"> Water/storm drain/sanitary sewage facilities, extension beyond municipal and UGA boundaries: 			
		<u>Land Use Planning and Development</u> – several bills under this topic heading were also under the GMA heading above. Where they are listed in both topic headers, they are not repeated			
SB 5243	Bill Report	<ul style="list-style-type: none"> Building permits, applications for, submitted with engineered plans, deeming complete: 	No		
HB 1436		<ul style="list-style-type: none"> Project permits, exemption from requirement for, when: 	No		
		<u>Environment</u> – several bills under this topic heading were also under the GMA heading above. Where they are listed in both topic headers, they are not repeated			
HB 1103	Bill Report	Building materials manufacturing, environmental product declarations, buy clean and buy fair Washington act:	No		
SB 5366		Building materials manufacturing, environmental product declarations, buy clean and buy fair Washington act:	No		
SB 5659	Bill Report	<ul style="list-style-type: none"> Building materials, for state public works, global warming potentials/environmental product declarations for: 	No		
SB 5207	Bill Report	<ul style="list-style-type: none"> Fish passage barriers, DOT correction projects, environmental permitting process for: 	No		
HB 1513		<ul style="list-style-type: none"> Justice, environmental, environmental justice council, duties when established: 	No		
HB 1606	Bill Report	<ul style="list-style-type: none"> Fish passage barriers, culvert and other correction projects, DOT to forgo review, when: Justice, environmental, review of fish passage barrier correction projects, DOT to forgo: 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 1799	Bill Report	<ul style="list-style-type: none"> Organic materials management, comprehensive provisions for: 	No		
SB 5731		<ul style="list-style-type: none"> Organic materials management, comprehensive provisions for: 	No		
HJR 4205	Bill Report	<ul style="list-style-type: none"> Preservation/protection of environment/natural resources, rights of all people in relation to, constitutional amendment: 	No		
SB 5818	Bill Report	<ul style="list-style-type: none"> Exempts a fully planning city's adopted housing action plan strategies, and permanently exempts optional residential building capacity actions, from review and legal challenge under the Growth Management Act (GMA) and from review and appeal under the State Environmental Policy Act (SEPA). Exempts adoption of certain development regulations or amendments by a fully planning city that increase housing capacity and affordability and mitigate displacement, and that apply outside of critical areas, from review under the GMA and from appeal under SEPA. Exempts certain project actions from appeal under SEPA on the basis of or impacts to the aesthetics and light and glare elements of the environment if the project is subject to design review at the local government level. Directs the Department of Ecology to modify maximum thresholds in certain SEPA categorical exemptions through expedited rulemaking 	Yes	Yes	Yes
SJB 8210		<ul style="list-style-type: none"> Right to clean/healthy environment, and state/political subdivisions as natural resources trustees: 	No		

Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
HB 1782	Bill Report	<ul style="list-style-type: none"> SEPA, administrative/judicial appeals, exemption for city middle housing types-related regulations/actions: 			
SB 5670	Bill Report	<ul style="list-style-type: none"> SEPA, administrative/judicial appeals, exemption for city middle housing types-related regulations/actions: 	No		
HB 1337	Bill Report	<ul style="list-style-type: none"> SEPA, administrative/judicial appeals, exemption for city/county accessory dwelling units authorization: 	No		
HB 2066		<ul style="list-style-type: none"> Requires certain cities planning fully under the Growth Management Act to consider how to maximize the use of the infill development categorical exemption under the State Environmental Policy Act (SEPA), consistent with maintaining environmental protections, in order to minimize the duplication of environmental review. Provides that a SEPA infill development categorical exemption adopted by a city or county must provide a means for collaboration and coordination with any federally recognized tribe or tribes whose ceded lands, usual and accustomed areas, or areas protected by executive order or federal statute are affected by the infill development. 	No		
SB 5312	Bill Report	<ul style="list-style-type: none"> Authorizes the use of appropriations to the Growth Management Planning and Environmental Review Fund to fund grants to cities to pay for certain planning-related costs related to transit-oriented development, including subarea plans and environmental impact statements. Requires the Department of Commerce to prioritize applications for grants to facilitate transit-oriented development to maximize certain specified 	Yes	Yes	No



Bill Number	Original Bill Report	Bill topic and overview from most recent bill report. Bullets updated after Feb 15, March 4, and after session if the Bill passed	Make Feb 15 cut off – Last day to consider bill in house of origin (Y/N)	Make March 4 cut off – Last day to consider opposite house bills (Y/N)	Did Bill Pass? (Y/N)
		objectives in the area covered by the grant proposal.			
SB 5041		<ul style="list-style-type: none">SEPA, exemptions, categorical, initial application as sufficient to prove:	No		
SB 5428	Bill Report	<ul style="list-style-type: none">SEPA, exemptions, temporary shelters or transitional encampments for homeless, permits actions to site, when:	Yes		

Appendix C: Bills that became law in 2020 and 2021

The Legislature has passed several bills related to the growth policy framework in the previous two sessions as well. Reviewing where progress has been made on issues and recommendations from past reports helped craft appropriate scopes of work for the Task Force in Phase III.

2020 successful legislation	2021 successful legislation
<u>Integrating Planning</u> <ul style="list-style-type: none"> HB 2342 - Aligning the timing of comprehensive plan updates required by the growth management act with the timing of shoreline master program updates required by the shoreline management act. 	<u>Housing</u> <ul style="list-style-type: none"> E2SHB 1220 – Comprehensive planning, emergency housing/shelters and transitional and permanent supportive housing, Housing Element, existing and projected needs inventory and analysis, providing affordable housing at all low-income levels ESSB 5235 - Increasing housing units inventory by removing arbitrary limits on housing option ESSB 5118 - Juvenile offender community group care facilities as essential public facilities
<u>Housing</u> <ul style="list-style-type: none"> HB 2343 – Concerning urban housing supply. Bill provides limits on residential parking requirements for low-income housing near transit and addresses action cities fully planning under the GMA are encouraged to take in order to increase residential building capacity. HB 1923 – Provides cities grants to take actions to increase housing supply. 	<u>Annexations</u> <ul style="list-style-type: none"> 2SSB 5368 - Encouraging rural economic development, review by Hearings Board, Interlocal agreements/ annexations/ annexation sales tax credit
<u>Permit Process</u> <ul style="list-style-type: none"> HB 2673 - Infill development is eligible for a city- or county-adopted categorical exemption from the State Environmental Policy Act if the government action relates to development that occurs where current density and intensity of use is roughly equal to what is called for in a planning jurisdiction's comprehensive plan. 	<u>Permit Process</u> <ul style="list-style-type: none"> SB 5381 - Addressing fish passage project permit streamlining SB 5225 - Concerning direct appeals to the court of appeals of cases brought under the administrative procedure act and the land use petition act



Appendix D: 2021 Recommendation Sheets



Task Force Recommendation Sheet #1 – Funding for local government planning

Date

11

16

2021

MM DD YY

Issue	Funding for Local Government planning		
Did the Task Force make a formal recommendation?	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Recommendation	The state should provide a minimum of \$10 million per year, consistent with the Department of Commerce's budget proposal, to provide consistent and permanent funding to cities and counties for updating comprehensive plans and development regulations consistent with state law requirements.		
Possible statutes to be amended	N/A		
Unanimous recommendation? If no, see objections.	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Do we expect this recommendation to have a budget impact?	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Did this issue derive from a previous study? If yes, which study or report?	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	<u>Study or Report</u> A Road Map to Washington's Future (2019)
Task Force representative tally and notes	<u>Consent</u> – Carlene Anders (Pateros), Dave Andersen (Department of Commerce), Bill Clarke (WA Realtors), Tim Gates (Department of Ecology), Deric Gruen (Front and Centered), Carl Schroeder (AWC), Joe Tovar (APA), Bryce Yadon (Futurewise) <u>Object</u> - None <u>Not Present</u> – Paul Jewell (WSAC), Jan Himebaugh (BIAW), Mario Reyes (CAFÉ), John Stuhlmiller (WA Farm Bureau)		
Issue overview and background	<ul style="list-style-type: none">• The Growth Management Act (GMA) requires a periodic update of comprehensive plans and implementing development regulations every eight years (RCW 36.70A.130).• The update typically includes planning for additional population and employment growth as well as updating policies and regulations consistent with new best		

	<p>available science, new case law, and changes to codes and policies consistent with state law changes made since the last periodic update.</p> <ul style="list-style-type: none"> • Periodic update requirements vary across the state. Typically, there are greater requirements for more urban counties and the cities within those counties. • Consistent and permanent funding for periodic updates and other required planning has diminished since the GMA was passed. • The Department of Commerce has developed a budget request for \$10 million per year, which would provide permanent and consistent funding for counties and cities. • The Commerce proposal would provide planning grants for periodic updates across the state. Commerce has developed a methodology for grant distributions. During non-update periods, the allocation would be used for competitive grants and funding for other required programs, such as the buildable lands program (RCW 36.70A.215). • RCW 36.70A.070(9) requires “that new or amended elements required after January 1, 2002... shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.” This recommendation does not include costs associated with new requirements that may be considered by the legislature during the 2022 session.
Specific statutory changes, if applicable	None
Engagement summary	<p>Discussed by working groups.</p> <p>Discussed by the Task Force at its meeting on 10/25/2021 and again on 11/16/2021.</p>



Advantages and disadvantages of implementing recommendation	Advantages	Disadvantages
	<ul style="list-style-type: none">• Stable and consistent funding will help local governments define and execute their planning work programs.• Commerce proposal includes funding for recent changes to state laws, including the Housing element of the GMA (HB 1220). This would provide funding consistent with RCW 36.70A.130	<ul style="list-style-type: none">• Current request does not consider funding necessary for new or amended comprehensive plan elements, which the legislature may consider during the 2022 session.• Permanent general fund impact for providing funds for the period update and other planning requirements.

Task Force Recommendation Sheet #2 – Consideration of additional time for some periodic updates under the Growth Management Act

Date
MM DD YY

Issue	Consideration of additional time for some periodic updates under the Growth Management Act (GMA)		
Did the Task Force make a formal recommendation?	<u>Yes</u> <input type="checkbox"/>	<u>No</u> <input checked="" type="checkbox"/>	
Recommendation language	The Task Force considered the following statement but did not make a formal recommendation: <i>"If during the 2022 legislative session, new legislation is passed that would add substantial new planning requirements under the GMA, the legislature should provide up to an additional 12 months for counties and cities with a June 2024 periodic update deadline (RCW 36.70A.130(5)(a)) to revise their comprehensive plans and development regulations."</i>		
Possible statutes to be amended	RCW 36.70A.130 - Comprehensive plans—Review procedures and schedules—Amendments.		
Unanimous recommendation? If no, see objections.	<u>Yes</u> <input type="checkbox"/>	<u>No</u> <input checked="" type="checkbox"/>	
Do we expect this recommendation to have a budget impact?	<u>Yes</u> <input type="checkbox"/>	<u>No</u> <input checked="" type="checkbox"/>	
Did this issue derive from a previous study? If yes, which study or report?	<u>Yes</u> <input type="checkbox"/>	<u>No</u> <input checked="" type="checkbox"/>	<u>Study or Report</u> Choose an item.
Task Force representative tally and notes	<u>Consent</u> – Carlene Anders (Pateros), Tim Gates (Department of Ecology), Paul Jewell (WSAC), Mario Reyes (CAFÉ), Carl Schroeder (AWC), Joe Tovar (APA) <u>Object</u> – Bill Clarke (WA Realtors), Jan Himebaugh (BIAW), Bryce Yadon (Futurewise) <u>Not Present</u> – Deric Gruen (Front and Centered) <u>Abstain</u> – John Stuhlmiller (Farm Bureau)		

Issue overview and background	<ul style="list-style-type: none"> • The Growth Management Act (GMA) lays out the process and schedule by which counties and cities must update their comprehensive plans and development regulations (RCW 36.70A.130). • Counties and cities are required to act every eight years to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of the GMA. The update typically includes planning for additional population and employment growth, updating policies and regulations consistent with new best available science, new case law, and changes to codes and policies consistent state law changes made since the last periodic update. • Periodic updates across the state are spread across four years. • King, Pierce, Snohomish, and Kitsap Counties and the cities within them are required to update plans by June 2024. • For any new or amended comprehensive plan elements passed into law this session to be considered required for 2024 jurisdictions, funding would have to be appropriated and distributed prior to June 2022. • Many of these counties and cities have already begun the update process. • HB 1220 (which became law in 2021) added new planning requirements to the Housing element. Guidance is still being developed for counties and cities to implement it. • Additional bills are likely to be reintroduced this session that could add substantial new requirements for counties and cities. This includes bills that would add new planning goals and elements and may require guidance to be developed. • Jurisdictions that are late in completing their comprehensive plan and development regulations periodic updates lose access to grants and loans from the Public Works Trust Fund and the Centennial Clean Water Fund and less competitive for Recreation Conservation Office funding. • 				
Specific statutory changes, if applicable	<u>RCW 36.70A.130(5)</u>				
Engagement summary	<p>Discussed by working groups</p> <p>Discussed by the Task Force at its meetings on 10/25, 11/16, and 11/30/2021.</p>				
Advantages and disadvantages of implementing recommendation	<table> <tr> <th data-bbox="496 1608 971 1661">Advantages</th><th data-bbox="971 1608 1372 1661">Disadvantages</th></tr> <tr> <td data-bbox="496 1661 971 1894"> <ul style="list-style-type: none"> • For new legislation, would provide additional time for guidance to be produced and utilized by counties and cities (if being produced). • It would ensure funding to cover applicable local </td><td data-bbox="971 1661 1372 1894"> <ul style="list-style-type: none"> • Could create an issue with grant timing and when funds are required to be used. • Could require Commerce to review and comment on many updates in 2025, </td></tr> </table>	Advantages	Disadvantages	<ul style="list-style-type: none"> • For new legislation, would provide additional time for guidance to be produced and utilized by counties and cities (if being produced). • It would ensure funding to cover applicable local 	<ul style="list-style-type: none"> • Could create an issue with grant timing and when funds are required to be used. • Could require Commerce to review and comment on many updates in 2025,
Advantages	Disadvantages				
<ul style="list-style-type: none"> • For new legislation, would provide additional time for guidance to be produced and utilized by counties and cities (if being produced). • It would ensure funding to cover applicable local 	<ul style="list-style-type: none"> • Could create an issue with grant timing and when funds are required to be used. • Could require Commerce to review and comment on many updates in 2025, 				



	<p>government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.</p> <ul style="list-style-type: none">• For substantial new requirements, it would provide additional time for community engagement and the development of policies and regulations.	<p>potentially creating a backlog.</p> <ul style="list-style-type: none">• Could delay implementation of important comprehensive plan and development regulation updates resulting from new legislation. This could include delays on new housing requirements that some jurisdictions are already working on. This issue forms the core of the objections to the draft recommendation as written above.
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Task Force Recommendation Sheet #3 – Sales tax incentive for annexations

Date 11 30 2021
MM DD YY

Issue	Sales tax incentive for annexations		
Did the Task Force make a formal recommendation?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Recommendation	The legislature should reinstate the annexation tax credit in RCW 82.14.415 and revisit options to provide better geographic access and equity and provide for opportunities for all affected cities and counties to benefit from resources provided by the state to incentivize annexations.		
Possible statutes to be amended	RCW 82.14.415		
Unanimous recommendation? If no, see objections.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Do we expect this recommendation to have a budget impact?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Did this issue derive from a previous study? If yes, which study or report?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Study or Report A Road Map to Washington's Future (2019)
Task Force representative tally and notes	<u>Consent</u> – Carlene Anders (Pateros), Dave Andersen (Department of Commerce), Bill Clarke (WA Realtors), Tim Gates (Department of Ecology), Jan Himebaugh (BIAW), Paul Jewell (WSAC), Mario Reyes (CAFÉ), Carl Schroeder (AWC), Joe Tovar (APA), Bryce Yadon (Futurewise) <u>Object</u> – None <u>Abstain</u> – Deric Gruen (Front and Centered)		
Issue overview and background	<ul style="list-style-type: none"> Annexations within urban growth areas (UGAs) are generally encouraged by the Growth Management Act, or GMA (RCW 36.70A.110(3-7) and RCW 36.70A.110(4). Method to annex land vary by city classification and can involve petition, election, development agreements, or interlocal agreements between governments. 		

	<ul style="list-style-type: none"> • Cities and towns located in counties that plan under the GMA can only annex property that is located within their designated UGAs. • In 2006, the legislature created a sales and use tax incentive for annexations, codified in RCW 82.14.415. • This credit was designed to facilitate annexation of large blocks of unincorporated urban area, particular in King County, as the credit only applied to cities in King, Pierce, and Snohomish Counties, and only to potential annexation areas with populations greater than 4,000 or 10,000, depending on the size of the city proposing to annex. • Cities using this credit could receive a credit on the state sales tax (not an increase in the tax, but a credit back on the existing sales tax collected city-wide) of 0.1 percent for each qualifying annexed area (0.2 percent for areas with greater than 20,000 people) with a maximum total credit of 0.2 percent or 0.3 percent in most cases. • The credit ran for 10 years in most cases. • The credit expired on January 1, 2015. • A bill passed in 2021, 2SSB 5368, created an interlocal agreement pathway for code cities (most cities in Washington) to annex unincorporated areas. Annexations would be eligible for the tax credit under this law if it is separately reinstated by the legislature. • Counties are at a structural disadvantage when it comes to annexations due to their reliance on property tax and sales and use taxes and stand to lose tax revenue as a result of annexations. 	
Specific statutory changes, if applicable	<p>Recommendation would involve, at a minimum, reinstating the credit by modifying the expiration date in RCW 82.14.415(1)(a). IN addition, the following should be considered. Providing better geographic access and equity to the sales tax incentive structure could involve further altering RCW 82.14.415(1)(a), which also contains the population threshold for potential annexation areas; 82.14.415(1), which contains the county population threshold; and 82.14.415(3)(a), which contains the credit maximums for different community sizes.</p>	
Engagement summary	<p>The Task Force received information on this issue and discussed it at its 11/16/2021 meeting. It continued discussion and consented to the above recommendation at the 11/30/2021 meeting. Multiple working groups provided input to the Task Force on the issue.</p>	
Advantages and disadvantages of implementing recommendation	<p>Advantages</p> <ul style="list-style-type: none"> • In some cases annexation can result in increased density within Urban Growth Areas. This is 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Current tax credit only applies to cities in the state's three largest counties, so there is a geographic and equity



	<p>particularly true where cities require annexation before providing public sewer to unincorporated urban growth areas.</p> <ul style="list-style-type: none">• The incentive may spur annexations to take that may otherwise not be cost beneficial to a city.• Broadening the incentive beyond that which was permissible within the previous provisions in RCW 82.14.415, could provide an annexation incentive not previously available. This could include where the incentive could be used and/or the size of the area that would qualify for its use.	<p>disadvantage of the current law.</p> <ul style="list-style-type: none">• Many smaller communities may not be able to make use of the credit due to the size of annexation areas required and the low cap on the credit.• The money for the tax credit, because it is not structured as a tax increase, would have to come out of other elements of the state budget.• Inequities in available sales tax revenue means that some annexations in some cities are at a built-in disadvantage when it comes to whether an incentive will spur annexation.
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Task Force Recommendation Sheet #4 – Permit process

Date
MM DD YY

Issue	Permit process		
Did the Task Force make a formal recommendation?	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Recommendation	<p>The Legislature should modify RCW 36.70B to make current permit data gathering requirements by certain counties and cities easier to prepare to ensure permit data is collected and reported.</p> <p>Annual permit data shall be sent to the Department of Commerce by a date certain each year and published by Commerce by a date certain to follow each year to increase public accessibility of permit data.</p>		
Possible statutes to be amended	RCW 36.70B.080(2)		
Unanimous recommendation? If no, see objections.	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Do we expect this recommendation to have a budget impact?	<u>Yes</u> <input checked="" type="checkbox"/>	<u>No</u> <input type="checkbox"/>	
Did this issue derive from a previous study? If yes, which study or report?	<u>Yes</u> <input type="checkbox"/>	<u>No</u> <input checked="" type="checkbox"/>	<u>Study or Report</u> Choose an item.
Task Force representative tally and notes	<p><u>Consent</u> – Carlene Anders (Pateros), Dave Andersen (Department of Commerce), Tim Gates (Department of Ecology), Jan Himebaugh (BIAW), Paul Jewell (WSAC), Mario Reyes (CAFÉ), Carl Schroeder (AWC), Joe Tovar (APA), Bryce Yadon (Futurewise)</p> <p><u>Object</u> – None</p> <p><u>Not Present</u> – Bill Clarke (WA Realtors), Deric Gruen (Front and Centered), John Stuhlmiller (Farm Bureau)</p>		
Issue overview and background	<ul style="list-style-type: none"> The Growth Management Act (GMA) has established 13 planning goals (RCW 36.70A.020). Goal 7 states <i>Permits. Applications for both state and local government permits</i> 		

should be processed in a timely and fair manner to ensure predictability.

- RCW 36.70B, the Local Project Review Act, was established in 1995, after the passage of the Growth Management Act (GMA). The legislature found that increasing environmental laws and regulations had increased the number of permits required for development and increased the cost and time to receive permits.
- The Local Project Review Act addresses procedures and timelines for issuing permits. This includes concurrent review of applications for projects.
- The Local Project Review Act also implements Goal 7 of the GMA.
- RCW 36.70B.080(1) states that:
Development regulations adopted pursuant to RCW 36.70A.040 must establish and implement time periods for local government actions for each type of project permit application and provide timely and predictable procedures to determine whether a completed project permit application meets the requirements of those development regulations. The time periods for local government actions for each type of complete project permit application or project type should not exceed one hundred twenty days, unless the local government makes written findings that a specified amount of additional time is needed to process specific complete project permit applications or project types.
- RCW 36.70B.080(2)(a) establishes the requirement for seven counties and cities within those counties with populations over 20,000 to collect permit data and publish data on an annual basis.
- RCW 36.70B.080(2)(b) establishes that permit data to be collected and reported in an annual report. This includes:
(b) Counties and cities subject to the requirements of this subsection also must prepare annual performance reports that include, at a minimum, the following information for each type of project permit application identified in accordance with the requirements of (a) of this subsection:
 - (i) Total number of complete applications received during the year;*
 - (ii) Number of complete applications received during the year for which a notice of final decision was issued before the deadline established under this subsection;*

	<p><i>(iii) Number of applications received during the year for which a notice of final decision was issued after the deadline established under this subsection;</i></p> <p><i>(iv) Number of applications received during the year for which an extension of time was mutually agreed upon by the applicant and the county or city;</i></p> <p><i>(v) Variance of actual performance, excluding applications for which mutually agreed time extensions have occurred, to the deadline established under this subsection during the year; and</i></p> <p><i>(vi) The mean processing time and the number standard deviation from the mean.</i></p> <ul style="list-style-type: none"> • RCW 36.70B.080(2)(c) establishes that: <i>(c) Counties and cities subject to the requirements of this subsection must:</i> <ul style="list-style-type: none"> <i>(i) Provide notice of and access to the annual performance reports through the county's or city's web site; and</i> <i>(ii) Post electronic facsimiles of the annual performance reports through the county's or city's web site. Postings on a county's or city's web site indicating that the reports are available by contacting the appropriate county or city department or official do not comply with the requirements of this subsection.</i> • These sections of statute require collection of data on all permit types that were deemed complete during the year, which in some jurisdictions can be thousands of permits per year.
Specific statutory changes, if applicable	<p>RCW 36.70B.080(2)(b) could be modified to focus only on the application types that would provide a useful cross-section of permit timelines. This could include subdivisions and short subdivisions, multifamily and commercial site plan approvals, conditional use permits, and building permits. Data would need to include total time to approval as well as time in review by each jurisdiction and time in the applicant's hands. Variation from established targets for issuing decision, as required by RCW 36.70B.080, could be included as well.</p> <p>RCW 36.70B.080(2)(c) could be modified so that the seven counties and cities over 20,000 population within those counties would provide the permit data to the Department of Commerce by</p>

	<p>a date certain each year and would furthermore charge Commerce with producing a report on permit data collected. This would replace the requirement to post the reports to individual communities' websites (although jurisdictions could still post the data as collated by Commerce).</p>	
Engagement summary	<p>Discussed by working groups.</p> <p>Discussed by the Task Force at its meetings on 11/16 and 11/30/2021.</p>	
Advantages and disadvantages of implementing recommendation	<p>Advantages</p> <ul style="list-style-type: none"> • Reducing the range of permits to focus on a smaller cross-section could make permit data easier to collect for jurisdictions. • Having Commerce prepare the reports could present a more comprehensive picture of permit timelines that could inform further legislation or funding to address permitting issues. • Commerce providing a single source for permit timeline data would ensure data is more accessible. • Ensuring this data is collected and reported would assist in gauging if Goal 7 and the requirements of RCW 36.70B are being met. 	<p>Disadvantages</p> <ul style="list-style-type: none"> • Reducing the existing permit t data collection requirements may still present challenges to some counties and cities as they access permit data. • Different communities categorize and group permits very differently, so revising the nomenclature within 36.70B will be important as legislation is developed.



Task Force Recommendation Sheet #5 – Adaptive planning

Date

11

30

2021

MM DD YY

Issue	Adaptive planning		
Did the Task Force make a formal recommendation on this issue?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Recommendation	<p>The Legislature should amend the GMA to include an optional process for voluntary Department of Commerce approval and defense of certain elements of countywide planning policies, comprehensive plans, and development regulations. The legislature should closely consider how to ensure that this process truly remains optional and does not result in de facto minimum standards.</p> <p><i>The Task Force referred the second part of the draft recommendation, additional tools to make planning processes easier for smaller jurisdictions, to 2022.</i></p>		
Possible statutes to be amended	RCW 36.70A (new section)		
Unanimous recommendation? If no, see objections.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Do we expect this recommendation to have a budget impact?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Did this issue derive from a previous study? If yes, which study or report?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<u>Study or Report</u> A Road Map to Washington's Future (2019)
Objections	<p><u>Consent</u> – Dave Andersen (Department of Commerce), Tim Gates (Department of Ecology), Paul Jewell (WSAC), Carl Schroeder (AWC), John Stuhlmiller (Farm Bureau), Joe Tovar (APA), Bryce Yadon (Futurewise)</p> <p><u>Object</u> – None</p> <p><u>Abstain</u> – Bill Clarke (WA Realtors), Jan Himebaugh (BIAW)</p>		

	<u>Not Present</u> – Carlene Anders (Pateros), Deric Gruen (Front and Centered), Mario Reyes (CAFÉ)
Issue overview and background	<ul style="list-style-type: none"> • Planning requirements under the Growth Management Act (GMA) are varied. Recent reports, including <i>A Road Map to Washington's Future (2019)</i> and <i>Updating Washington's Growth Policy Framework (2021)</i>, described the current differences within our planning framework requirements and the desire to further recognize regional differences and needs throughout the state within our planning framework. • One way to recognize regional differences is to understand that many counties and cities have limited resources to complete required planning. • While the Growth Management Act encourages early and continuous public participation, appeal processes can be costly and lengthy. Options to provide early input from Commerce and protect cities and counties from appeals if Commerce review shows compliance, while not discouraging or limiting participation or the right to appeal, could be a net benefit. The Shoreline Management Act provides a process for Department of Ecology review of Shoreline Master Programs like what has been considered in current and former bills. • In addition, providing additional resources to smaller cities and counties could be very valuable across the state, particularly for smaller communities with fewer resources. • Additional ways to recognize regional differences across the state may be a topic the Task Force takes up in 2022.
Specific statutory changes, if applicable	<p>At least two recent bills, Senate Bill 5368, which passed the legislature in 2021, and HB 1099, which is likely to be reintroduced in 2022, contained for a new section of the GMA that would set up this optional pathway for Commerce review. SB 5368 did not ultimately include the pathway for Commerce review in its final form that became law, but the proposed language can be found on pages 4-8 of the original bill.</p> <p>HB 1099 directs Commerce to develop guidelines and model elements and creates a new section on page 33 of the latest version of the bill that removes administrative and judicial appeal of ordinances, plans, regulations, and other nonproject actions under Chapter 36.70A.</p>
Engagement summary	This issue was reviewed and discussed, and a recommendation made, by the Task Force at its 11/30/2021 meeting.

	Will use working groups to help the Task Force refine the options for assistance by Commerce in 2022.	
Advantages and disadvantages of implementing recommendation	Advantages <ul style="list-style-type: none"> • Offering additional assistance and defending appeals could potentially have substantial benefits for small jurisdictions. • Creating options to help avoid imposing one-size-fits-all planning on jurisdictions with extremely varied needs and pressures has been a long-standing goal for those seeking to update the growth policy framework. • An existing review process for Shoreline Master Programs already exists, as do recent bills that have contained language enabling Commerce review. This provides a good basis for analyzing how this process could best work. • The process would be optional which provides flexibility. 	Disadvantages <ul style="list-style-type: none"> • The optional review by Commerce could create a de facto minimum requirement for meeting GMA requirements if not carefully designed. • Integrating the early and continuous public participation required in the GMA with the Commerce review and defense could be complicated. • Additional changes, to ensure a process that will work well, could be warranted as a bill makes it way through the legislature.

Appendix E: Growth policy framework statutes

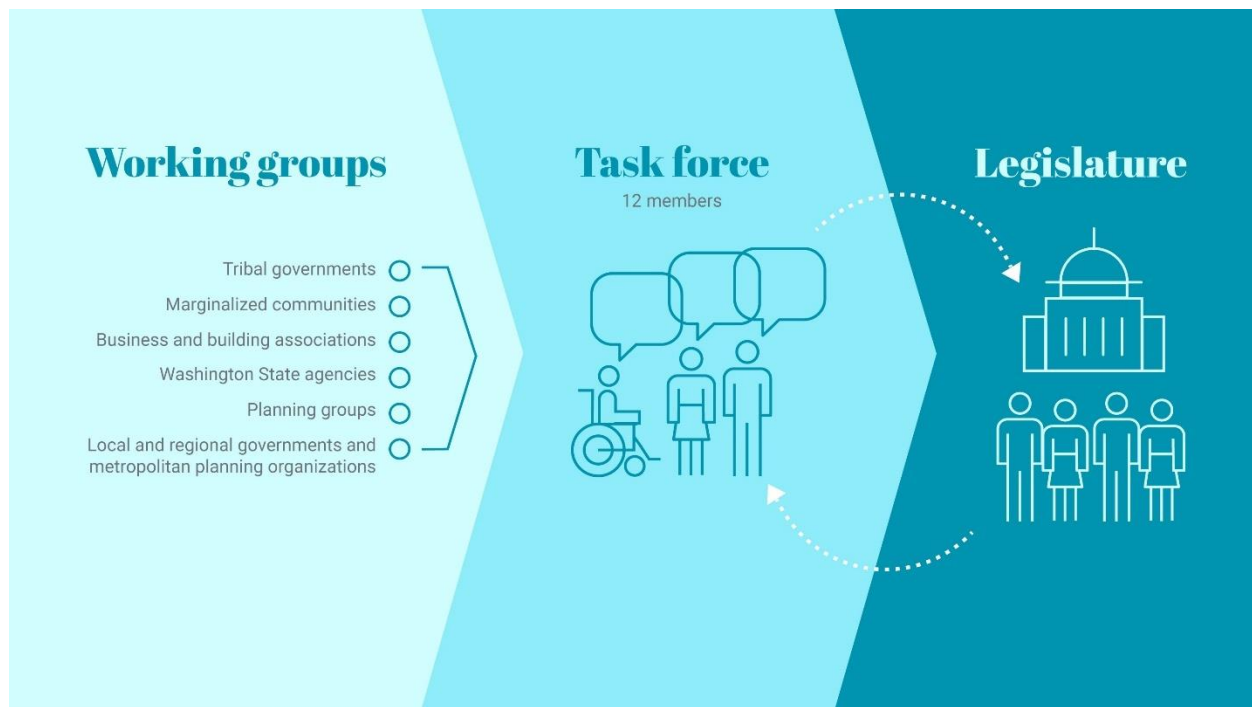
Growth Policy Framework – primary statutes
Growth Management Act – RCW 36.70A
Shoreline Management Act – RCW 90.58
State Environmental Policy Act – RCW 43.21C
Local Project Review Act – RCW 36.70B
Land Use Petition Act – RCW 36.70C
Planning Enabling Act – RCW 36.70
Subdivision Statute – RCW 58.17

Growth Policy Framework – additional statutes	
Water System Coordination Act – RCW 70A.100	School Districts – RCW 28A
Regional Transportation Planning – RCW 47.80	Forest Practices – RCW 76.09
Interlocal Cooperation Act – RCW 39.34	Energy Facilities – RCW 80.50
City, Noncharter Code City, and County Governance – RCW 35 , 35A , 36	State Agencies and Universities – RCW 28B (higher ed) and RCW 43 (agencies)
Port Districts – RCW 53	Community Redevelopment Financing – RCW 39.89
Water and Sewer Districts – RCW 57	Multi-Family Property Tax Exemption – RCW 84.14
Public Utility Districts – RCW 54	Impact Fees – RCW 82.02
State Building Code – RCW 19.27	

Appendix F: Project engagement

While the Preliminary Scope of Recommendations report is focused on the proposed scope of issues the Task Force will consider and make recommendations on, the engagement process necessary for the Task Force to make those recommendations is vitally important to this project. The project's engagement plan ensures that recommendations reflect:

- Diverse perspectives, including those from counties, cities, special districts, the real estate, building, and agricultural industries, planning and environmental organizations, members of the legislature, and state agencies.
- Outreach to every Tribe in Washington, including both federally recognized Tribes and non-federally recognized Tribes. Engagement may look like:
 - Engaging Tribal staff and technical and policy staff in working groups
 - Bringing together multiple Tribal staff to discuss various topics of their choosing
 - Individual meetings with staff on topics that matter to them (they choose)
- The lived experiences and perspectives of people who have too often been excluded from public policy decision-making and are unevenly impacted by those decisions.



We will establish working groups on specific subject topics, which will provide the Task Force with substantive feedback, ideas, and recommendations as they take up issues. The Task Force will consider issues and forward recommendations to the legislature.

The diagram above outlines the relationship between the groups we are engaging during the Phase III project.