



Agenda  
Planning Commission Meeting  
Wednesday, June 22, 2016  
City Hall Council Chamber | 505 Swift Boulevard

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**Commission Members:** Chair Madsen, Vice-Chair Boring and Commissioners Clark, Wise, Palmer, Wallner and Berkowitz

**Liaisons:** Council Liaison Lemley and Alternate Council Liaison Luzzo Gilmour  
Staff Liaison Development Services Manager Simon

**Regular Meeting - 7:00 p.m.** (City Hall Council Chamber)

**Welcome and Roll Call**

**Approval of Agenda:** (Approved by Motion)

**Approval of Minutes:** (Approved by Motion) May 25, 2016

Draft minutes of the Planning Commissions meeting held on May 25, 2016

**Public Comments:**

**Public Hearing Explanation:**

Unfinished Business - Public Hearing:

New Business – Public Hearing:

1. 2017 Community Development Block Grant (CDBG)/HOME Funds
2. Proposed Code Amendment - Deferral of Impact Fee Payment

**Communications:**

**Adjournment**

**The next Planning Commission Workshop is July 13, 2016**

**The next Planning Commission Meeting is July 27, 2016**

This Meeting is broadcast live on CityView Channel 192 and online at [CI.RICHLAND.WA.US/CITYVIEW](http://CI.RICHLAND.WA.US/CITYVIEW)

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the Planning Commission Meeting by calling the City Clerk's Office at 942-7388.



## PLANNING COMMISSION AGENDA ITEM COVERSHEET

Meeting Date: 06/22/2016

Agenda Category: Approval of Minutes

Prepared By: Rick Simon, Development Services Manager

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**Subject:**

Draft minutes of the Planning Commissions meeting held on May 25, 2016

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**Request:**

Key I - Financial Stability & Operational Effectiveness

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**Recommended Motion:**

Approve the minutes of the Planning Commission meeting held on May 25, 2016

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**Summary:**

None

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**Attachments:**

1. Draft Minutes May 25, 2016



**MINUTES**  
**PLANNING COMMISSION MEETING**  
City Hall – 550 Swift Boulevard – Council Chamber  
**WEDNESDAY, May 25, 2016**  
**7:00 PM**

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**Call to Order:**

**Chair Madsen** called the meeting to order at 7:00 PM.

**Attendance:**

Present: Chair Madsen, Vice-Chair Wallner, Commissioners, Boring, Clark, Wise, Palmer and Berkowitz. Also present were Community & Development Services Director Kerwin Jensen, Senior Planner Shane O'Neill, Transportation & Development Manager Jeffrey Peters Executive Assistant Lynne Follett and Councilmember Phillip Lemley.

**Approval of Agenda:**

**Chair Madsen** presented the meeting agenda for approval.

**COMMISSIONER BORING MOVED AND VICE-CHAIR WALNER SECONDED A MOTION TO APPROVE THE MAY 25, 2016 MEETING AGENDA AS WRITTEN. THE MOTION CARRIED 7-0**

**Approval of Minutes:**

**Chair Madsen** presented the meeting minutes of the April 27, 2016 meeting for approval.

**COMMISSIONER BORING MOVED AND VICE-CHAIR WALLNER SECONDED A MOTION TO APPROVE THE MINUTES FROM THE APRIL 27, 2016 MEETING. THE MOTION CARRIED 7-0**

**Public Comment**

**Chairman Madsen** asked if any members of the public would like to comment on an item not on the agenda.

There were no public comments brought forward.

**Public Hearing**

**Ms. Follett** read the public hearing procedure.

## **UNFINISHED BUSINESS:**

None

## **NEW BUSINESS:**

1. 2017-2022 Six-Year Transportation Improvement Program  
- Jeff Peters, Transportation and Development Manager

Mr. Peters gave the following report. Each year, the City is required to update its Six-Year Transportation Improvement Program (TIP) and file a copy of the adopted TIP with the State Department of Transportation. The TIP is a planning tool for federal, state, and local governments and is utilized by state and federal funding agencies in awarding funds for transportation improvement projects. Once adopted by Council and pursuant to a public hearing, the TIP may be amended any time to add funding, add or remove projects, and modify project scope and/or limits.

The Six-Year TIP is derived from projects that have been identified in the City's Transportation Plan, Comprehensive Plan and the Benton Franklin Council of Government's Regional Transportation Plan. Projects shown in the Six-Year TIP are those projects from the previously mentioned planning documents that the City feels have a reasonable possibility of being funded within the next six years. There are a total of 17 projects on this year's TIP. Of the 17 projects, there is 1 new project that has been added.

The Parks and Recreation Commission has reviewed the TIP and recommended Council adoption on May 12, 2016

Chairman Madsen opened the public comment period at 7:06 p.m., no comments were brought forward. Chairman Madsen closed the public comment period at 7:07 p.m.

Chairman Madsen invited the commissioners to ask questions or make comment on the information presented.

**Commissioner Wise** asked that once the scope of work is finished that it be provided to the commission as a tool to expedite the process.

Chair Madsen called for a motion to make a recommendation to the City Council.

**COMMISSIONER BORING MOVED AND VICE-CHAIR WALNER AND COMMISSIONER PALMER SECONDED A MOTION TO RECOMMEND TO THE CITY COUNCIL, THE ADOPTION OF THE 2017-2022 TRANSPORTATION IMPROVEMENT PLAN. THE MOTION CARRIED 7-0**

2. Dallas Road Annexation  
- Shane O'Neill, Senior Planner

Mr. O'Neill gave the following staff report. The City is currently considering the annexation of a 2.3 acre parcel along Dallas Road. City Council authorized the annexation process to begin through the adoption of Resolution #112-16, which directed the Planning Commission to consider what zoning would be appropriate for this site. Mr. O'Neill further reviewed the details with the commission.

Chairman Madsen opened the public testimony period at 7:14 p.m., no testimony was offered. Chairman Madsen closed the public testimony period at 7:14 p.m.

Commissioner Wise clarified that the commission was only asked to vote on the proper zoning to be applied, not on a recommendation to approve annexation. Mr. O'Neill confirmed. Commissioner Palmer asked about topography and whether or not that impacted zoning. Mr. Jensen offered clarification.

Chair Madsen called for a motion to make a recommendation to the City Council.

**COMMISSIONER BORING MOTIONED AND COMMISSIONER WISE SECONDED A MOTION TO RECOMMEND TO THE CITY COUNCIL TO ACCEPT THE ZONING RECOMMENDATION LAID OUT IN STAFF REPORT Z2016-102. MOTION CARRIED 7-0**

**Communications:**

**Mr. Peters**

Thanked the commission for their support and guidance through the TIP process.

**Commissioner Wise**

Thanked Mr. Peters for the presentation on the TIP made at the workshop.

**ADJOURNMENT:**

Chairman Madsen adjourned the meeting at 7:20 p.m.

PREPARED BY: Lynne Follett, Executive Assistant

REVIEWED BY: \_\_\_\_\_  
Rick Simon, Secretary  
Richland Planning Commission



## PLANNING COMMISSION AGENDA ITEM COVERSHEET

Meeting Date: 06/22/2016

Agenda Category: New Business – Public Hearing

Prepared By: Michelle Burden, Block Grant Coordinator

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**Subject:**

2017 Community Development Block Grant (CDBG)/HOME Funds

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**Request:**

Key 7 - Neighborhoods & Community Safety

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**Recommended Motion:**

No action required.

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**Summary:**

The purpose of the Public Hearing for 2017 CDBG funds is to allow for public comments on community needs.

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**Attachments:**

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## PLANNING COMMISSION AGENDA ITEM COVERSHEET

Meeting Date: 06/22/2016

Agenda Category: New Business – Public Hearing

Prepared By: Rick Simon, Development Services Manager

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**Subject:**

Proposed Code Amendment - Deferral of Impact Fee Payment

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**Request:**

Key I - Financial Stability & Operational Effectiveness

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**Recommended Motion:**

Adopt staff recommendation to amend RMC Sections 12.03.080, 12.030.085 and 22.12.030, and recommend approval of the proposed code amendments to provide for the deferral of impact fee payments.

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**Summary:**

Earlier this month at workshop, the Commission discussed the new state legislation that requires cities collecting impact fees to provide for a deferral of fee payment for builders of single family homes. Staff has put together draft code amendments which are detailed in the attached report.

The regular June meeting has been set aside for the Planning Commission to conduct a public hearing on this topic and to make a recommendation to the City Council on the proposed code amendments.

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**Attachments:**

1. Staff Report
2. Draft Code Amendments
3. Senate Bill 5923



## **STAFF REPORT**

TO: PLANNING COMMISSION  
FILE NO.: Z2016-103

PREPARED BY: RICK SIMON  
MEETING DATE: JUNE 22, 2016

### GENERAL INFORMATION:

APPLICANT: CITY OF RICHLAND

REQUEST: TEXT AMENDMENTS TO SECTIONS 12.03.080 & 22.12.030  
23.22.020 AND A NEW SECTION 12.03.085 CONCERNING  
DEFERRAL OF IMPACT FEES

LOCATION: CITYWIDE

### REASON FOR REQUEST:

New state legislation requires cities and counties that collect impact fees to allow for those fees to be deferred until final building inspection, the issuance of a certificate of occupancy or the closing of the first sale of the property.

### FINDINGS AND CONCLUSIONS

Staff has drafted text amendments to the traffic impact fee and park mitigation fee sections of the Richland Municipal Code and submits that:

1. Senate Bill 5923 was adopted by the Washington State Legislature during the 2015 regular session and is scheduled to take effect statewide as of September 1, 2016. The bill mandates that cities and counties that collect impact fees on new single family dwellings provide a mechanism to collect those fees at either the time of final building inspection, the issuance of a certificate of occupancy or the closing of the first sale of the property;
2. Under its existing code, the City of Richland requires the payment of traffic impact fees in accordance with RMC Chapter 12.03 and also requires the payment of park mitigation fees in accordance with RCM Chapter 22.12;
3. The existing code provisions require impact fees to be paid at the time of building permit issuance for all traffic impact fees;
4. The proposed code amendments would provide for the deferral of traffic and park impact fees for all single family residences to be paid at the time that a final building inspection is requested and require the applicants to grant a deferred

impact fee lien and in so doing meet the requirements established in state law under Senate Bill 5923;

5. Based upon the above findings and conclusions, the adoption of the proposed amendments to Sections 12.03.080, 12.03.085 and 22.12.030 of the Richland Municipal Code providing for a deferral of payment for traffic and park impact fees is in the best interest of the community of Richland.

#### RECOMMENDATION

Staff recommends the Planning Commission concur with the findings and conclusions set forth in Staff Report (Z2016-103) and recommend to the City Council adoption of the proposed code amendments to RMC Sections 12.03.080, 12.03.085 and 22.12.030.

#### ATTACHMENTS

- A. Supplemental Information
- B. Draft Code Language
- C. Senate Bill 5923

SUPPLEMENTAL INFORMATION

EXISTING CODE

The current City code relating to payment of impact fees is found in two places within the municipal code. Chapter 12.03 establishes requirements for traffic impact fees, while Chapter 22.12 sets forth standards for park mitigation fees. These code sections currently read as follows:

**Section 12.03.080**

*All new development within the program boundary shall pay a transportation impact fee in accordance with the provisions of this plan at the time that the applicable development permit is ready for issuance. The fee paid shall be the amount in effect as of the date of the permit issuance.*

*The impact fee amount shall be set as of the date of the development permit application. No development permit shall be issued until the impact fee is paid.*

*A developer may obtain a preliminary determination of the impact fee before application for a development permit.*

*Impact fees may be paid under protest in order to obtain a permit or other approval of development activity.*

**Section 22.12.030**

*The department shall not provide a final inspection and occupancy permit unless and until the impact fees required by this chapter, less any permitted exemptions, credits or deductions, have been paid in full or land has been dedicated per RMC 12.12.050 or park fee credits have been approved by the city.*

- A. Fees shall be deposited in a park reserve fund account as established in RMC 3.24.150 through 3.24.170 and shall be used for the acquisition or improvement of park and recreational facilities serving and primarily benefiting residents of the zone with respect to which such payments have been made.*
- B. Acquisition and/or improvement of such park and recreation facilities shall be made as sufficient funds become available and consistent with the most recent adopted version of the parks and recreation plan.*

## REVIEW OF STATE REQUIREMENTS

While the new state law mandates that impact fee deferrals be granted for single family residences, the law provides cities with some latitude in how those deferrals are granted. Deferred impact fees must be paid at one of three points in the process: at final building inspection; at the issuance of a certificate of occupancy; or at the closing of the first sale of the property.

At a minimum the state law requires deferrals to be granted for the first 20 single family residential building permits issued within a year. It also requires that any individual taking advantage of the deferred fee must also grant a deferred impact fee lien, which is to be recorded with the County Auditor. Once the impact fees have been paid, cities are obligated to issue a release of the deferred impact fee lien.

## PROPOSED CODE CHANGES

Staff is recommending that the impact fees be deferred until the time of final building inspection. From an administrative standpoint, this is the easiest point in the process to collect the deferred fees, better than either the sale of the home or issuance of a certificate of occupancy. The proposed code amendments do not attempt to limit the number of deferrals that can be granted in one year. Again from an administrative standpoint, it would be easier offer the deferral to all applicants, rather than try to track the number of deferral granted. As required under the new law, the proposed code amendments requires the applicant to sign a deferred impact fee lien.

## SUMMARY

The proposed code amendments would implement the provisions of Senate Bill 5923. The proposed code amendments have been structured in such a way as allow the deferral of impact fee payments with the least amount of administrative process changes.

## PROPOSED CODE AMENDMENTS – IMPACT FEE DEFFERAL

### 12.03.080 Time of payment of impact fees.

All new development within the program boundary shall pay a transportation impact fee in accordance with the provisions of this plan at the time that the applicable development permit is ready for issuance; **except that permit applications for detached or attached single family residences may defer impact fee payment, as authorized under RMC 12.03.085.** The fee paid shall be the amount in effect as of the date of the permit issuance.

The impact fee amount shall be set as of the date of the development permit application. No development permit shall be issued until the impact fee is paid; **except as authorized under RMC 12.03.085.**

A developer may obtain a preliminary determination of the impact fee before application for a development permit.

Impact fees may be paid under protest in order to obtain a permit or other approval of development activity. [Ord. 39-04; Ord. 03-09].

### 12.03.085 Deferral of Impact Fee Payment.

Impact fees required for a detached or attached single family residence shall be paid either prior to the issuance of a building permit for a single family residence or if the applicant chooses, the impact fee can be deferred until the time that the applicant requests a final building inspection for the single family residence. If an applicant chooses to defer payment of an impact fee, the following process shall be followed:

- a. The amount of the impact fee shall be determined at the time the applicant applies for deferral of the impact fee.
- b. The applicant shall grant a deferred impact fee lien against the property in favor of the City of Richland in the amount of the deferred impact fee. The deferred impact fee lien shall include the legal description of the property, the County Assessor tax parcel number and the property address on a form approved by the City and containing the signatures of all owners of the property.
- c. The deferred impact fee lien shall be recorded by the City. The applicant shall be responsible for providing all recording fees for the deferred impact fee lien.
- d. Once the impact fee has been paid, the City shall execute a release of deferred impact fee lien. The applicant shall be responsible for recording the release of deferred impact fee lien.

The City shall not perform a final inspection or issue a certificate of occupancy for any building until the impact fee has been paid in full.

### 22.12.030 Payment of fees.

The department shall not provide a final inspection and occupancy permit unless and until the impact fees required by this chapter, less any permitted exemptions, credits or deductions, have been paid in full or land has been dedicated per RMC [12.12.050](#) or park fee credits have been approved by the city. **If the payment of impact fees is deferred past the point of permit issuance, the process for the deferral of impact fee payments as set forth in RMC 12.03.085 shall be followed.**

A. Fees shall be deposited in a park reserve fund account as established in RMC [3.24.150](#) through [3.24.170](#) and shall be used for the acquisition or improvement of park and recreational facilities serving and primarily benefiting residents of the zone with respect to which such payments have been made.

B. Acquisition and/or improvement of such park and recreation facilities shall be made as sufficient funds become available and consistent with the most recent adopted version of the parks and recreation plan. [Ord. 24-11 § 1.04].

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 5923**

Chapter 241, Laws of 2015

64th Legislature  
2015 Regular Session

SINGLE-FAMILY DETACHED AND ATTACHED RESIDENTIAL CONSTRUCTION--  
DEFERRED IMPACT FEES

EFFECTIVE DATE: 9/1/2016

Passed by the Senate April 16, 2015  
Yeas 28 Nays 18

BRAD OWEN

**President of the Senate**

Passed by the House April 14, 2015  
Yeas 82 Nays 15

FRANK CHOPP

**Speaker of the House of Representatives**

Approved May 11, 2015 2:46 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5923** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

**Secretary**

FILED

May 12, 2015

**Secretary of State  
State of Washington**

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ENGROSSED SENATE BILL 5923

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AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

**State of Washington                      64th Legislature                      2015 Regular Session**

**By** Senators Brown, Llias, Roach, Dandel, Hobbs, Warnick, and Chase

Read first time 02/11/15. Referred to Committee on Trade & Economic Development.

1        AN    ACT    Relating   to   promoting   economic   recovery   in   the  
2   construction industry; amending RCW 82.02.050 and 36.70A.070; adding  
3   a new section to chapter 44.28 RCW; adding a new section to chapter  
4   43.31 RCW; and providing an effective date.

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

6        **Sec. 1.**    RCW 82.02.050 and 1994 c 257 s 24 are each amended to  
7   read as follows:

8        (1) It is the intent of the legislature:

9        (a) To ensure that adequate facilities are available to serve new  
10   growth and development;

11        (b) To promote orderly growth and development by establishing  
12   standards by which counties, cities, and towns may require, by  
13   ordinance, that new growth and development pay a proportionate share  
14   of the cost of new facilities needed to serve new growth and  
15   development; and

16        (c) To ensure that impact fees are imposed through established  
17   procedures and criteria so that specific developments do not pay  
18   arbitrary fees or duplicative fees for the same impact.

19        (2) Counties, cities, and towns that are required or choose to  
20   plan under RCW 36.70A.040 are authorized to impose impact fees on  
21   development activity as part of the financing for public facilities,

1 provided that the financing for system improvements to serve new  
2 development must provide for a balance between impact fees and other  
3 sources of public funds and cannot rely solely on impact fees.

4 (3)(a)(i) Counties, cities, and towns collecting impact fees  
5 must, by September 1, 2016, adopt and maintain a system for the  
6 deferred collection of impact fees for single-family detached and  
7 attached residential construction. The deferral system must include a  
8 process by which an applicant for a building permit for a single-  
9 family detached or attached residence may request a deferral of the  
10 full impact fee payment. The deferral system offered by a county,  
11 city, or town under this subsection (3) must include one or more of  
12 the following options:

13 (A) Deferring collection of the impact fee payment until final  
14 inspection;

15 (B) Deferring collection of the impact fee payment until  
16 certificate of occupancy or equivalent certification; or

17 (C) Deferring collection of the impact fee payment until the time  
18 of closing of the first sale of the property occurring after the  
19 issuance of the applicable building permit.

20 (ii) Counties, cities, and towns utilizing the deferral process  
21 required by this subsection (3)(a) may withhold certification of  
22 final inspection, certificate of occupancy, or equivalent  
23 certification until the impact fees have been paid in full.

24 (iii) The amount of impact fees that may be deferred under this  
25 subsection (3) must be determined by the fees in effect at the time  
26 the applicant applies for a deferral.

27 (iv) Unless an agreement to the contrary is reached between the  
28 buyer and seller, the payment of impact fees due at closing of a sale  
29 must be made from the seller's proceeds. In the absence of an  
30 agreement to the contrary, the seller bears strict liability for the  
31 payment of the impact fees.

32 (b) The term of an impact fee deferral under this subsection (3)  
33 may not exceed eighteen months from the date of building permit  
34 issuance.

35 (c) Except as may otherwise be authorized in accordance with (f)  
36 of this subsection (3), an applicant seeking a deferral under this  
37 subsection (3) must grant and record a deferred impact fee lien  
38 against the property in favor of the county, city, or town in the  
39 amount of the deferred impact fee. The deferred impact fee lien,



1 which must include the legal description, tax account number, and  
2 address of the property, must also be:

3 (i) In a form approved by the county, city, or town;

4 (ii) Signed by all owners of the property, with all signatures  
5 acknowledged as required for a deed, and recorded in the county where  
6 the property is located;

7 (iii) Binding on all successors in title after the recordation;  
8 and

9 (iv) Junior and subordinate to one mortgage for the purpose of  
10 construction upon the same real property granted by the person who  
11 applied for the deferral of impact fees.

12 (d)(i) If impact fees are not paid in accordance with a deferral  
13 authorized by this subsection (3), and in accordance with the term  
14 provisions established in (b) of this subsection (3), the county,  
15 city, or town may institute foreclosure proceedings in accordance  
16 with chapter 61.12 RCW.

17 (ii) If the county, city, or town does not institute foreclosure  
18 proceedings for unpaid school impact fees within forty-five days  
19 after receiving notice from a school district requesting that it do  
20 so, the district may institute foreclosure proceedings with respect  
21 to the unpaid impact fees.

22 (e)(i) Upon receipt of final payment of all deferred impact fees  
23 for a property, the county, city, or town must execute a release of  
24 deferred impact fee lien for the property. The property owner at the  
25 time of the release, at his or her expense, is responsible for  
26 recording the lien release.

27 (ii) The extinguishment of a deferred impact fee lien by the  
28 foreclosure of a lien having priority does not affect the obligation  
29 to pay the impact fees as a condition of final inspection,  
30 certificate of occupancy, or equivalent certification, or at the time  
31 of closing of the first sale.

32 (f) A county, city, or town with an impact fee deferral process  
33 on or before April 1, 2015, is exempt from the requirements of this  
34 subsection (3) if the deferral process delays all impact fees and  
35 remains in effect after September 1, 2016.

36 (g)(i) Each applicant for a single-family residential  
37 construction permit, in accordance with his or her contractor  
38 registration number or other unique identification number, is  
39 entitled to annually receive deferrals under this subsection (3) for  
40 the first twenty single-family residential construction building

1 permits per county, city, or town. A county, city, or town, however,  
2 may elect, by ordinance, to defer more than twenty single-family  
3 residential construction building permits for an applicant. If the  
4 county, city, or town collects impact fees on behalf of one or more  
5 school districts for which the collection of impact fees could be  
6 delayed, the county, city, or town must consult with the district or  
7 districts about the additional deferrals. A county, city, or town  
8 considering additional deferrals must give substantial weight to  
9 recommendations of each applicable school district regarding the  
10 number of additional deferrals. If the county, city, or town  
11 disagrees with the recommendations of one or more school districts,  
12 the county, city, or town must provide the district or districts with  
13 a written rationale for its decision.

14 (ii) For purposes of this subsection (3)(g), an "applicant"  
15 includes an entity that controls the applicant, is controlled by the  
16 applicant, or is under common control with the applicant.

17 (h) Counties, cities, and towns may collect reasonable  
18 administrative fees to implement this subsection (3) from permit  
19 applicants who are seeking to delay the payment of impact fees under  
20 this subsection (3).

21 (i) In accordance with sections 3 and 4 of this act, counties,  
22 cities, and towns must cooperate with and provide requested data,  
23 materials, and assistance to the department of commerce and the joint  
24 legislative audit and review committee.

25 (4) The impact fees:

26 (a) Shall only be imposed for system improvements that are  
27 reasonably related to the new development;

28 (b) Shall not exceed a proportionate share of the costs of system  
29 improvements that are reasonably related to the new development; and

30 (c) Shall be used for system improvements that will reasonably  
31 benefit the new development.

32 ((+4+)) (5)(a) Impact fees may be collected and spent only for  
33 the public facilities defined in RCW 82.02.090 which are addressed by  
34 a capital facilities plan element of a comprehensive land use plan  
35 adopted pursuant to the provisions of RCW 36.70A.070 or the  
36 provisions for comprehensive plan adoption contained in chapter  
37 36.70, 35.63, or 35A.63 RCW. After the date a county, city, or town  
38 is required to adopt its development regulations under chapter 36.70A  
39 RCW, continued authorization to collect and expend impact fees  
40 ((shall be)) is contingent on the county, city, or town adopting or

1 revising a comprehensive plan in compliance with RCW 36.70A.070, and  
2 on the capital facilities plan identifying:

3 ~~((a))~~ (i) Deficiencies in public facilities serving existing  
4 development and the means by which existing deficiencies will be  
5 eliminated within a reasonable period of time;

6 ~~((b))~~ (ii) Additional demands placed on existing public  
7 facilities by new development; and

8 ~~((c))~~ (iii) Additional public facility improvements required to  
9 serve new development.

10 (b) If the capital facilities plan of the county, city, or town  
11 is complete other than for the inclusion of those elements which are  
12 the responsibility of a special district, the county, city, or town  
13 may impose impact fees to address those public facility needs for  
14 which the county, city, or town is responsible.

15 **Sec. 2.** RCW 36.70A.070 and 2010 1st sp.s. c 26 s 6 are each  
16 amended to read as follows:

17 The comprehensive plan of a county or city that is required or  
18 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
19 and descriptive text covering objectives, principles, and standards  
20 used to develop the comprehensive plan. The plan shall be an  
21 internally consistent document and all elements shall be consistent  
22 with the future land use map. A comprehensive plan shall be adopted  
23 and amended with public participation as provided in RCW 36.70A.140.  
24 Each comprehensive plan shall include a plan, scheme, or design for  
25 each of the following:

26 (1) A land use element designating the proposed general  
27 distribution and general location and extent of the uses of land,  
28 where appropriate, for agriculture, timber production, housing,  
29 commerce, industry, recreation, open spaces, general aviation  
30 airports, public utilities, public facilities, and other land uses.  
31 The land use element shall include population densities, building  
32 intensities, and estimates of future population growth. The land use  
33 element shall provide for protection of the quality and quantity of  
34 groundwater used for public water supplies. Wherever possible, the  
35 land use element should consider utilizing urban planning approaches  
36 that promote physical activity. Where applicable, the land use  
37 element shall review drainage, flooding, and storm water run-off in  
38 the area and nearby jurisdictions and provide guidance for corrective

1 actions to mitigate or cleanse those discharges that pollute waters  
2 of the state, including Puget Sound or waters entering Puget Sound.

3 (2) A housing element ensuring the vitality and character of  
4 established residential neighborhoods that: (a) Includes an inventory  
5 and analysis of existing and projected housing needs that identifies  
6 the number of housing units necessary to manage projected growth; (b)  
7 includes a statement of goals, policies, objectives, and mandatory  
8 provisions for the preservation, improvement, and development of  
9 housing, including single-family residences; (c) identifies  
10 sufficient land for housing, including, but not limited to,  
11 government-assisted housing, housing for low-income families,  
12 manufactured housing, multifamily housing, and group homes and foster  
13 care facilities; and (d) makes adequate provisions for existing and  
14 projected needs of all economic segments of the community.

15 (3) A capital facilities plan element consisting of: (a) An  
16 inventory of existing capital facilities owned by public entities,  
17 showing the locations and capacities of the capital facilities; (b) a  
18 forecast of the future needs for such capital facilities; (c) the  
19 proposed locations and capacities of expanded or new capital  
20 facilities; (d) at least a six-year plan that will finance such  
21 capital facilities within projected funding capacities and clearly  
22 identifies sources of public money for such purposes; and (e) a  
23 requirement to reassess the land use element if probable funding  
24 falls short of meeting existing needs and to ensure that the land use  
25 element, capital facilities plan element, and financing plan within  
26 the capital facilities plan element are coordinated and consistent.  
27 Park and recreation facilities shall be included in the capital  
28 facilities plan element.

29 (4) A utilities element consisting of the general location,  
30 proposed location, and capacity of all existing and proposed  
31 utilities, including, but not limited to, electrical lines,  
32 telecommunication lines, and natural gas lines.

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

37 (a) Growth management act goals and local circumstances. Because  
38 circumstances vary from county to county, in establishing patterns of  
39 rural densities and uses, a county may consider local circumstances,  
40 but shall develop a written record explaining how the rural element

1 harmonizes the planning goals in RCW 36.70A.020 and meets the  
2 requirements of this chapter.

3 (b) Rural development. The rural element shall permit rural  
4 development, forestry, and agriculture in rural areas. The rural  
5 element shall provide for a variety of rural densities, uses,  
6 essential public facilities, and rural governmental services needed  
7 to serve the permitted densities and uses. To achieve a variety of  
8 rural densities and uses, counties may provide for clustering,  
9 density transfer, design guidelines, conservation easements, and  
10 other innovative techniques that will accommodate appropriate rural  
11 densities and uses that are not characterized by urban growth and  
12 that are consistent with rural character.

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

16 (i) Containing or otherwise controlling rural development;

17 (ii) Assuring visual compatibility of rural development with the  
18 surrounding rural area;

19 (iii) Reducing the inappropriate conversion of undeveloped land  
20 into sprawling, low-density development in the rural area;

21 (iv) Protecting critical areas, as provided in RCW 36.70A.060,  
22 and surface water and groundwater resources; and

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

25 (d) Limited areas of more intensive rural development. Subject to  
26 the requirements of this subsection and except as otherwise  
27 specifically provided in this subsection (5)(d), the rural element  
28 may allow for limited areas of more intensive rural development,  
29 including necessary public facilities and public services to serve  
30 the limited area as follows:

31 (i) Rural development consisting of the infill, development, or  
32 redevelopment of existing commercial, industrial, residential, or  
33 mixed-use areas, whether characterized as shoreline development,  
34 villages, hamlets, rural activity centers, or crossroads  
35 developments.

36 (A) A commercial, industrial, residential, shoreline, or mixed-  
37 use area (~~((shall be))~~) are subject to the requirements of (d)(iv) of  
38 this subsection, but (~~((shall))~~) are not (~~((be))~~) subject to the  
39 requirements of (c)(ii) and (iii) of this subsection.

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

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

10 (ii) The intensification of development on lots containing, or  
11 new development of, small-scale recreational or tourist uses,  
12 including commercial facilities to serve those recreational or  
13 tourist uses, that rely on a rural location and setting, but that do  
14 not include new residential development. A small-scale recreation or  
15 tourist use is not required to be principally designed to serve the  
16 existing and projected rural population. Public services and public  
17 facilities shall be limited to those necessary to serve the  
18 recreation or tourist use and shall be provided in a manner that does  
19 not permit low-density sprawl;

20 (iii) The intensification of development on lots containing  
21 isolated nonresidential uses or new development of isolated cottage  
22 industries and isolated small-scale businesses that are not  
23 principally designed to serve the existing and projected rural  
24 population and nonresidential uses, but do provide job opportunities  
25 for rural residents. Rural counties may allow the expansion of small-  
26 scale businesses as long as those small-scale businesses conform with  
27 the rural character of the area as defined by the local government  
28 according to RCW 36.70A.030(15). Rural counties may also allow new  
29 small-scale businesses to utilize a site previously occupied by an  
30 existing business as long as the new small-scale business conforms to  
31 the rural character of the area as defined by the local government  
32 according to RCW 36.70A.030(15). Public services and public  
33 facilities shall be limited to those necessary to serve the isolated  
34 nonresidential use and shall be provided in a manner that does not  
35 permit low-density sprawl;

36 (iv) A county shall adopt measures to minimize and contain the  
37 existing areas or uses of more intensive rural development, as  
38 appropriate, authorized under this subsection. Lands included in such  
39 existing areas or uses shall not extend beyond the logical outer  
40 boundary of the existing area or use, thereby allowing a new pattern

1 of low-density sprawl. Existing areas are those that are clearly  
2 identifiable and contained and where there is a logical boundary  
3 delineated predominately by the built environment, but that may also  
4 include undeveloped lands if limited as provided in this subsection.  
5 The county shall establish the logical outer boundary of an area of  
6 more intensive rural development. In establishing the logical outer  
7 boundary, the county shall address (A) the need to preserve the  
8 character of existing natural neighborhoods and communities, (B)  
9 physical boundaries, such as bodies of water, streets and highways,  
10 and land forms and contours, (C) the prevention of abnormally  
11 irregular boundaries, and (D) the ability to provide public  
12 facilities and public services in a manner that does not permit low-  
13 density sprawl;

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

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

18 (B) On the date the county adopted a resolution under RCW  
19 36.70A.040(2), in a county that is planning under all of the  
20 provisions of this chapter under RCW 36.70A.040(2); or

21 (C) On the date the office of financial management certifies the  
22 county's population as provided in RCW 36.70A.040(5), in a county  
23 that is planning under all of the provisions of this chapter pursuant  
24 to RCW 36.70A.040(5).

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

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

31 (a) The transportation element shall include the following  
32 subelements:

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

34 (ii) Estimated traffic impacts to state-owned transportation  
35 facilities resulting from land use assumptions to assist the  
36 department of transportation in monitoring the performance of state  
37 facilities, to plan improvements for the facilities, and to assess  
38 the impact of land- use decisions on state-owned transportation  
39 facilities;

40 (iii) Facilities and services needs, including:

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

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

10 (C) For state-owned transportation facilities, level of service  
11 standards for highways, as prescribed in chapters 47.06 and 47.80  
12 RCW, to gauge the performance of the system. The purposes of  
13 reflecting level of service standards for state highways in the local  
14 comprehensive plan are to monitor the performance of the system, to  
15 evaluate improvement strategies, and to facilitate coordination  
16 between the county's or city's six-year street, road, or transit  
17 program and the office of financial management's ten-year investment  
18 program. The concurrency requirements of (b) of this subsection do  
19 not apply to transportation facilities and services of statewide  
20 significance except for counties consisting of islands whose only  
21 connection to the mainland are state highways or ferry routes. In  
22 these island counties, state highways and ferry route capacity must  
23 be a factor in meeting the concurrency requirements in (b) of this  
24 subsection;

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

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

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

35 (iv) Finance, including:

36 (A) An analysis of funding capability to judge needs against  
37 probable funding resources;

38 (B) A multiyear financing plan based on the needs identified in  
39 the comprehensive plan, the appropriate parts of which shall serve as  
40 the basis for the six-year street, road, or transit program required



1 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW  
2 35.58.2795 for public transportation systems. The multiyear financing  
3 plan should be coordinated with the ten-year investment program  
4 developed by the office of financial management as required by RCW  
5 47.05.030;

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

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

13 (vi) Demand-management strategies;

14 (vii) Pedestrian and bicycle component to include collaborative  
15 efforts to identify and designate planned improvements for pedestrian  
16 and bicycle facilities and corridors that address and encourage  
17 enhanced community access and promote healthy lifestyles.

18 (b) After adoption of the comprehensive plan by jurisdictions  
19 required to plan or who choose to plan under RCW 36.70A.040, local  
20 jurisdictions must adopt and enforce ordinances which prohibit  
21 development approval if the development causes the level of service  
22 on a locally owned transportation facility to decline below the  
23 standards adopted in the transportation element of the comprehensive  
24 plan, unless transportation improvements or strategies to accommodate  
25 the impacts of development are made concurrent with the development.  
26 These strategies may include increased public transportation service,  
27 ride sharing programs, demand management, and other transportation  
28 systems management strategies. For the purposes of this subsection  
29 (6), "concurrent with the development" means that improvements or  
30 strategies are in place at the time of development, or that a  
31 financial commitment is in place to complete the improvements or  
32 strategies within six years. If the collection of impact fees is  
33 delayed under RCW 82.02.050(3), the six-year period required by this  
34 subsection (6)(b) must begin after full payment of all impact fees is  
35 due to the county or city.

36 (c) The transportation element described in this subsection (6),  
37 the six-year plans required by RCW 35.77.010 for cities, RCW  
38 36.81.121 for counties, and RCW 35.58.2795 for public transportation  
39 systems, and the ten-year investment program required by RCW  
40 47.05.030 for the state, must be consistent.

(7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.

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

(9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements 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.

NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28 RCW to read as follows:

(1) The joint legislative audit and review committee must review the impact fee deferral requirements of RCW 82.02.050(3). The review must consist of an examination of issued impact fee deferrals, including: (a) The number of deferrals requested of and issued by counties, cities, and towns; (b) the type of impact fee deferred; (c) the monetary amount of deferrals, by jurisdiction; (d) whether the deferral process was efficiently administered; (e) the number of deferrals that were not fully and timely paid; and (f) the costs to counties, cities, and towns for collecting timely and delinquent fees. The review must also include an evaluation of whether the

1 impact fee deferral process required by RCW 82.02.050(3) was  
2 effective in providing a locally administered process for the  
3 deferral and full payment of impact fees.

4 (2) The review required by this section must, in accordance with  
5 RCW 43.01.036, be submitted to the appropriate committees of the  
6 house of representatives and the senate on or before September 1,  
7 2021.

8 (3) In complying with this section, and in accordance with  
9 section 4 of this act, the joint legislative audit and review  
10 committee must make its collected data and associated materials  
11 available, upon request, to the department of commerce.

12 (4) This section expires January 1, 2022.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.31  
14 RCW to read as follows:

15 (1) Beginning December 1, 2018, and each year thereafter, the  
16 department of commerce must prepare an annual report on the impact  
17 fee deferral process established in RCW 82.02.050(3). The report must  
18 include: (a) The number of deferrals requested of and issued by  
19 counties, cities, and towns; (b) the number of deferrals that were  
20 not fully and timely paid; and (c) other information as deemed  
21 appropriate.

22 (2) The report required by this section must, in accordance with  
23 RCW 43.01.036, be submitted to the appropriate committees of the  
24 house of representatives and the senate.

25 NEW SECTION. **Sec. 5.** This act takes effect September 1, 2016.

Passed by the Senate April 16, 2015.

Passed by the House April 14, 2015.

Approved by the Governor May 11, 2015.

Filed in Office of Secretary of State May 12, 2015.