



Agenda
Planning Commission Workshop
Wednesday, June 8, 2016
City Manager's Conference Room | 975 George Washington Way

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 Workshop - 7:00 p.m.

Call to Order / Attendance:

Business:

1. CDBG Program Review
 - Michelle Burden, Housing Resources Specialist
2. Discussion of Code Amendment to Allow Deferral of Impact Fee Payments
 - Rick Simon, Development Services Manager

Adjournment

The next Planning Commission Workshop is July 13, 2016

The next Planning Commission Meeting is June 22, 2016

Richland City Hall is ADA accessible. Council Chamber parking and access is available at the entrance facing George Washington Way. Requests for sign interpreters, audio equipment, and/or other special services must be received 48 hours prior to the Planning Commission Workshop by calling the City Clerk's Office at 942-7388.



PLANNING COMMISSION AGENDA ITEM COVERSHEET

Meeting Date: 06/08/2016

Agenda Category: Business

Prepared By: Michelle Burden, Housing Resources Specialist

Subject:

CDBG Program Review

Request:

Key 7 - Neighborhoods & Community Safety

Recommended Motion:

Summary:

Michelle Burden, the City's Block Grant Coordinator will review the schedule and process for the annual block grant process. No attachments are provided with this report, but will be distributed at the meeting.

Attachments:



PLANNING COMMISSION AGENDA ITEM COVERSHEET

Meeting Date: 06/08/2016

Agenda Category: Business

Prepared By: Rick Simon, Development Services Manager

Subject:

Discussion of Code Amendment to Allow Deferral of Impact Fee Payments

Request:

Key I - Financial Stability & Operational Effectiveness

Recommended Motion:

Summary:

A recent change in state law requires cities that collect impact fees to provide for a fee deferral program, allowing home builders to pay the required fees at the completion of home construction rather than prior to home construction. The attached memo provides an explanation of the law and a recommended path forward for the city to achieve compliance.

Attachments:

1. Impact Fee Defferal Memo
2. Senate Bill 5923

MEMORANDUM

*Community and Development Department
Planning & Development Services Division*

TO: PLANNING COMMISSION

FROM: RICK SIMON, DEVELOPMENT SERVICES MANAGER

DATE: JUNE 8, 2016

RE: REQUIRED CODE AMENDMENTS – DEFERRAL OF IMPACT FEE PAYMENTS

The State Legislature recently passed a bill which requires any city or county that collects impact fees to adopt a deferral system for the collection of those fees that relate to new single family residential construction. The bill takes effect as of September 1 of this year and requires cities to allow impact fee payments to be deferred until the time of either:

1. Final building inspection;
2. Issuance of a certificate of occupancy; or
3. The closing of the first sale of the property.

The law allows cities to impose a reasonable administrative fee; gives cities the ability to limit the deferral to the first 20 building permits issued within the year (or some greater number chosen by the city) and requires that any individual seeking such a deferral must grant and record an impact fee lien. The city would then be obligated to file a lien release at the time that the fee is paid. A copy of the senate bill is attached.

In Richland, impact fees are generally collected at the time building permits are issued. Two separate fees are required: a park mitigation fee, which is assessed on all residential projects and a traffic mitigation fee, which is assessed on both residential and commercial projects that are located within the designated transportation impact fee area, which is located in South Richland. State law would allow for the collection of additional impact fees for fire protection and schools, but to date, the City has not opted to implement a fee program for those services.

The state legislation largely resulted from Homebuilder groups lobbying their legislators for this deferral. They have long maintained that impact fees assessed early in the development process significantly increase the costs of development, as the developer and homebuilder are forced to carry the costs of those fees through the entire development process, well ahead of the actual impact; which doesn't occur until the residents of the new development actually move into their new residence.

Several years ago, the City increased its park mitigation fee and this was one of the arguments put forward by the Homebuilders Association. In the spirit of compromise, the

City did provide for the deferral of park fees until final building inspection. The current code language (RMC Section 22.12.030) reads:

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.*

However, the code provisions relating to traffic fees were not updated at that time and so they remain due at the time that a building permit is issued. Current code language (RMC 12.03.080) reads as follows:

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.

Even though the City's existing code provides for the deferral of park mitigation fees, our experience has been that very few homebuilders avail themselves of this fee deferral. Rather, they continue to pay the fee at the time the building permit is issued.

We speculate that since the great majority of fees are due at building permit issuance, including water and sewer connection fees, building permit fees and traffic mitigation fees, applicants opt to pay the park mitigation fees at the same time for the sake of convenience. Also, given the low interest rates in place in recent months, holding the mitigation fee in the bank for the period of home construction would not generate an appreciable amount of income for the applicant.

In spite of the apparent lack of desire/need for impact fee deferrals, the City is obligated to amend its code in order to conform to the new state law. Staff recommends amendments that would accomplish the following:

- Establish final building inspection as the time of fee collection;
- Establish a requirement for the property owner(s) to sign a deferred impact fee lien; and
- Establish a requirement for the City to file a release of lien upon receipt of impact fee payment.

The provision to limit the number of building permits that may defer fees within a single year is probably not necessary. The work to amend the City's process to accommodate the impact fee deferral would be the same regardless of the number of permit applicants who choose to take advantage of the deferral. From an administrative perspective, there is no reason to limit the number of permit holders choosing to defer fee payments. From the perspective of impact to the Parks Department, the deferral of the fees would generally be of a fairly short duration and so would not be anticipated to result in significant impacts to their planning for new park facilities and improvements.

Further, we anticipate the administrative costs of the program will reduce its use. The cost of filing a document with the County Auditor's office is \$77 for the first two pages. The requirement to file a lien and then a lien release upon payment will require the applicant to pay a minimum fee of \$154. If the City desires to further offset the administrative costs associated with administering the program, the fee could be in the range of \$200. Given the limited potential for interest earned on the impact fee, our assumption is that most contractors would choose to pay the fee up front and avoid the additional administrative fees that would be required to take advantage of the deferral.

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**

ENGROSSED SENATE BILL 5923

AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

State of Washington 64th Legislature 2015 Regular Session

By Senators Brown, Llias, Roach, Dansel, 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.