Welcome to Washington

Land Use Planning & Economic Development

PRESENTED BY:
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WCMA
Washington City/County Management Association
A State Affiliate of ICMA


Land Use
Job opportunity
Job Creation
Business Expansion
Business Attraction
Marketing
Economic development
Infrastructure
Environmental protection
Parks & open space
Home ownership
Talent & education
Public safety
Density & population
Housing
Community pride
Quality of life
Increased standard of living
Transportation
Taxation
Technology
Increased prosperity
Capital Investments

GMA – Can 15 Things be True at the Same Time?

- Growth Management Act (GMA): Comprehensive Plan RCW 36.70A

Goals

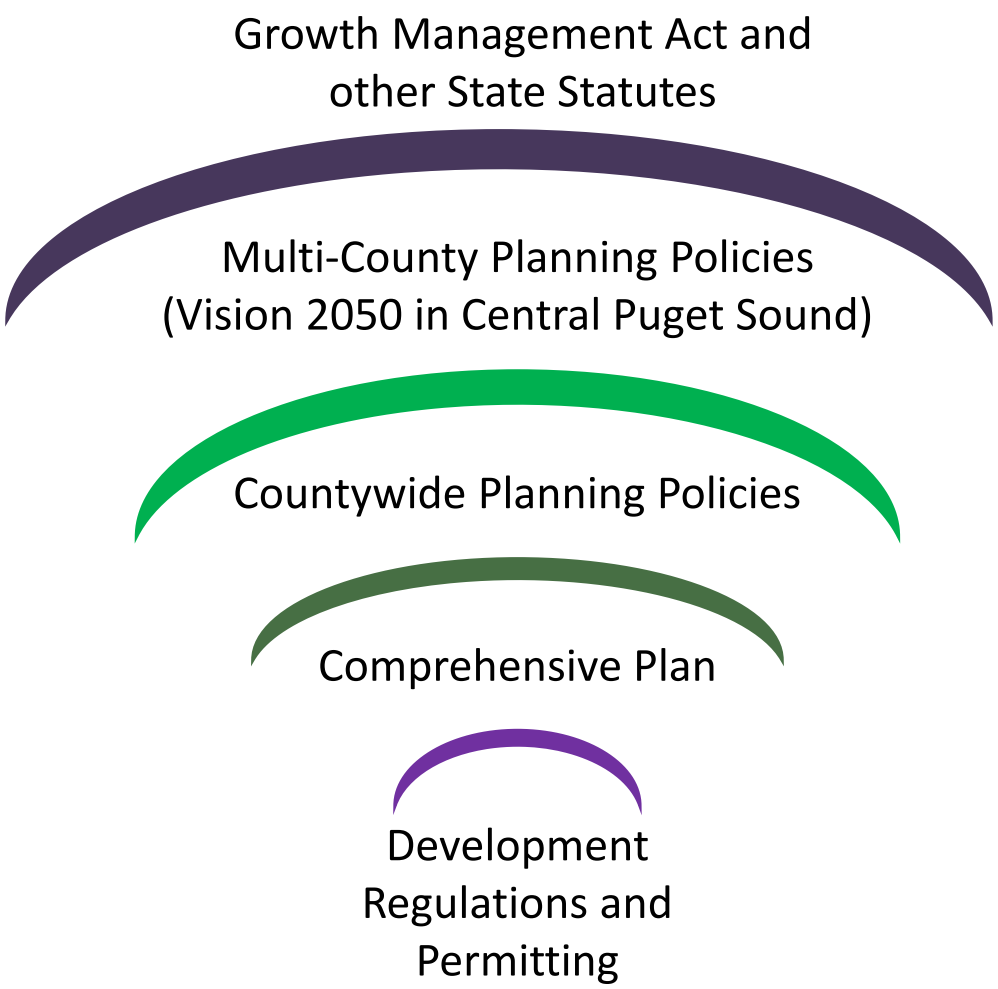
1. Sprawl reduction
2. Concentrated urban growth
3. Affordable housing
4. Economic development
5. Open space & recreation
6. Transportation
7. Environmental protection
8. Protection of property rights
9. Natural resources
10. Historic lands & buildings
11. Permit & development services process
12. Public participation
13. Shoreline management
14. Climate change and resiliency
15. Public facilities and services

Key Plan Elements

- Land use
- Housing
- Capital Facilities
- Utilities
- Transportation
- Economic Development
- Shoreline management
- Climate Change & Resiliency
- Rural element (counties only)

ADOPTED AS "GRASS ROOTS" PLANNING BASED ON "LOCAL CIRCUMSTANCES".

Washington State Land Use Planning



- Multiple layers of planning direction that is not always 100% consistent.

- Recent legislatures have created a more “top down” nature to planning, not just in the contents of Comprehensive Plans but specific development code requirements. Primarily, in the areas of housing and climate change.

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Comprehensive Plan
"What do we want to be when we grow up?"

- Growth projections for people, housing and jobs.
- Based on a 20-year planning horizon.
- Aspirational goals and policies (avoid fantastical).
- Some include objectives providing greater specifics and schedules for near-term actions.
- Often includes implementation challenges as you balance different goals (e.g. housing availability and environmental protection, concentrated growth and climate change).

Capital Facilities Plan - "Send in the Engineers"

Pipes, Pavement and Services

- Roads, utilities, schools, fire, parks, public facilities, etc.
- Based on population, housing and job targets.
- What improvements are necessary over the next 20 years?
- How will those needed in the next 6 years be paid for?
- How do small cities afford improvements with no growth nexus (wastewater treatment, water system maintenance)

Other Key GMA Principles

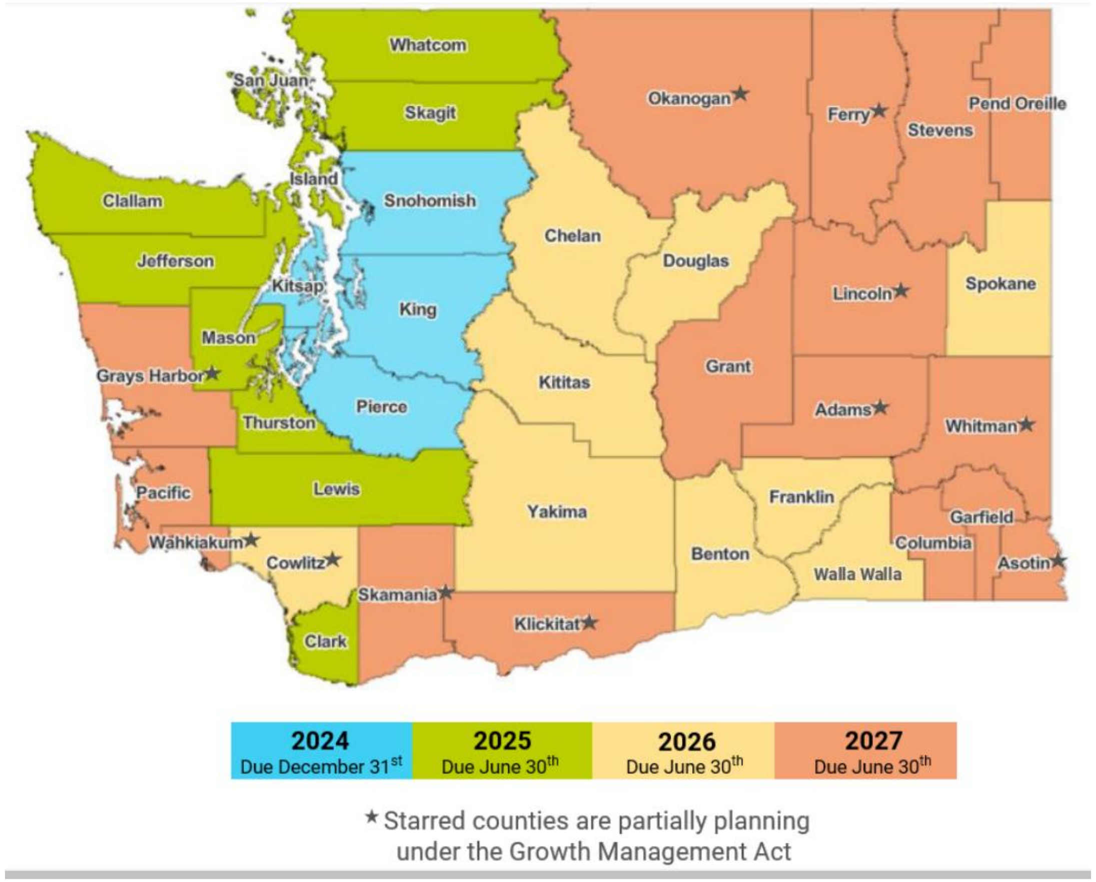
"Growth Pays for Growth"

- Development pays impact, connection or other fees; AND/OR
- Installs necessary infrastructure (e.g. traffic signal, lift station).
- Their contribution must be consistent with the development's impact (cannot be required to pay for existing system deficiencies or pass-through traffic).
- Often leads to where does the rest of the money come from?

How Do You Know If Your Comprehensive Plan is OK?

Spoiler Alert: You rarely do.

- You weren't appealed?
- Another jurisdiction adopted the same thing?
- It is consistent with Commerce guidance?
- You survived a Hearings Board/Court appeal?



The state Growth Management Act (GMA) requires counties and cities to periodically conduct a thorough review of their plan and regulations (generally 10 years for most actions).

Other Statutory Requirements

- State Environmental Policy Act (SEPA) RCW 43.21C
- Shoreline Management Act (SMA) RCW 90.58.

Something for Everyone - Many, Many Permit Types

Subdivision

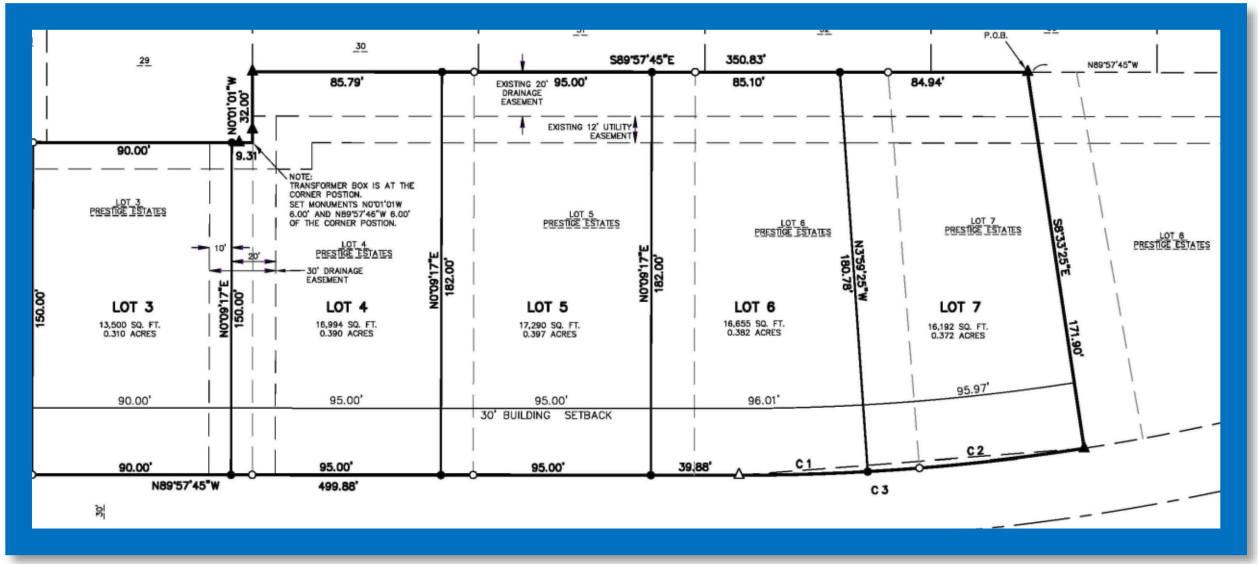
- Long Plats
- Short Plats
- Boundary Line Adjustments
- Binding Site Plans

Public Works

- Right-of-Way Permits
- Utility Permits
- Site Development Permits

Zoning

- Administrative Use Permits
- Conditional Use Permits
- Variances
- Comp Plan Map and Text Changes



Local Decision-Making on Development Submittals

- **Quasi-Judicial (outcomes limited by specific code requirements)**
  - Director (permits with no public hearings). Becoming more common with recent legislation. Yay for me.
  - Hearing Examiner, OR
  - Planning Commission, AND/OR
  - Council/Commissioners
- **Discretionary (outcomes entirely up to Council/Commissioners)**
  - Council/Commissioner

Public Outreach and, Hopefully, Engagement

- Public
- Elected officials
- Planning commission
- Other advisory boards/commissions
- Other affected jurisdictions
- Special purpose districts
- Media

- Metropolitan Planning Organization (MPO)
- Developers & Business Interests
  - Associate Development Organizations (ADOs)/EDBs
  - Chambers of Commerce
  - Downtown Associations
  - Master Builders Association
- State and Federal Agencies
  - Department of Commerce
  - Department of Ecology
  - Department of Fish & Wildlife
  - Army Corps of Engineers

Housing - Recent Legislation

Just a small subset of legislation directly affecting how local jurisdictions plan. New ones every year. Applicability varies based on population.

HB 1220 HB 1337	**Removing barriers to housing in local planning and regulations.** Removing barriers to Accessory Dwelling Units in local planning and regulations.
SB 5290	Revising timelines for local government permit review.
HB 1998	Allowing co-living is residential zones
HB 1096	Allowing simple lot-splitting
HB 1110	Allowing Missing Middle housing (duplexes, townhomes, cottage housing, etc.)
SB 5559	Adopting Unit-Lot Subdivision process
SB 5148	**Housing Accountability Act including Commerce review of local housing elements**
SB 6026	Allowing residential uses in commercial zones

Main Goals of Housing Legislation

Increase housing diversity thus affect housing affordability.

- More duplexes, townhomes, multifamily and fewer large single-family homes.
- Remove prohibitions on affordable and supportive housing.
- Encourage redevelopment of existing land.
- Increase walkability and incentivize expansion of transit service.

To be done through regulatory reform and local incentive programs.

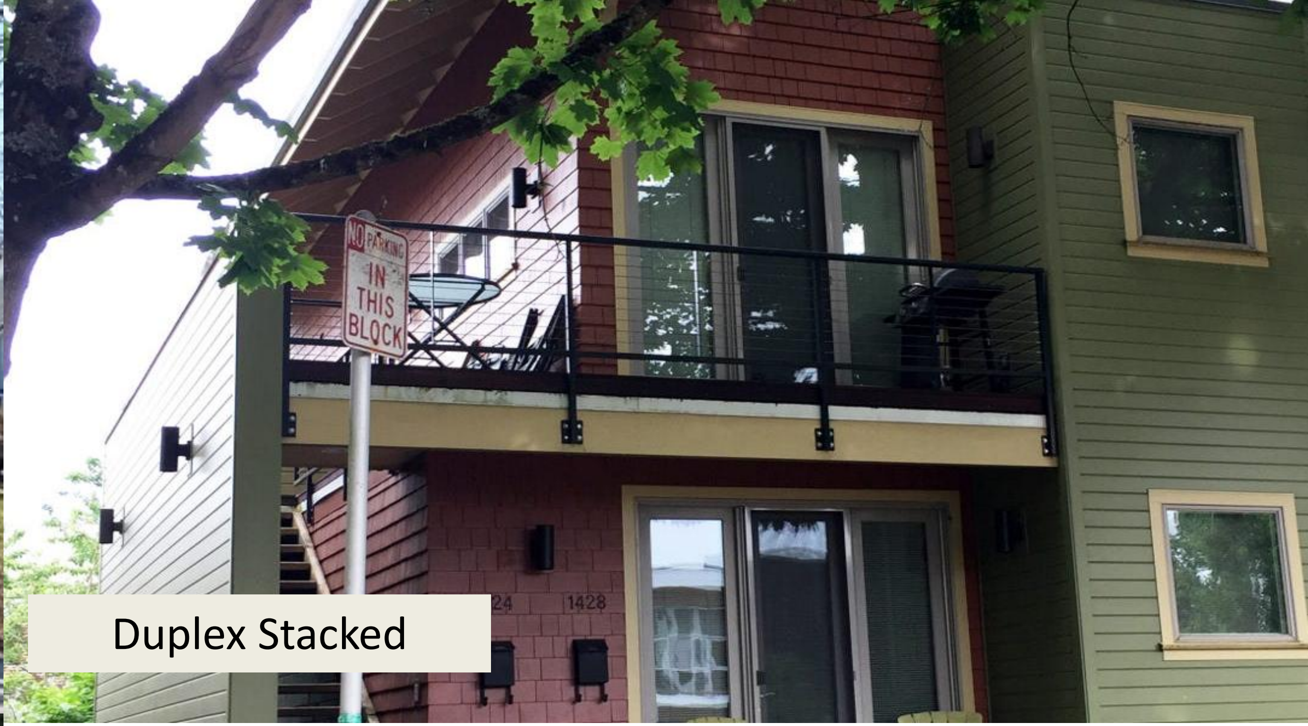
Laudable goals with obvious public benefits.

Obstacles to Implementation at Local the Level

- Local government is only a small part of the affordability equation.
- Many, many circumstances in play:
  - Location, location, location
  - Transit availability
  - Environmental challenges
  - Labor and materials costs
  - Borrowing costs
  - Market conditions
  - Regulations

Local government must do its part but cannot be held wholly responsible.

Duplex



Duplex Stacked


Accessory Dwelling


Cottage Housing


Townhomes


Low-Rise Multifamily


Medium-Rise Multifamily


Podium Multifamily



These housing types don't just look different.

- Different construction/site design requirements
- Different crews/workers/contractors
- Different insurance/liability needs (shared wall construction)
- Different thresholds for financing
- Different phasing of construction and costs

Paradigm Shift for Local Planning – Housing Not People

- Now, housing needs rather than persons are the Plan's foundational growth estimates. **GMA requirements are to plan for a specific number of units affordable to families in various income bands (AMIs = 0-30%, 30-50%, 50-80%, 80-120% and 120% and above).**
- These estimates also include needs for permanent supportive housing and emergency shelter beds per jurisdiction.
- This significantly impacts zoning regulations as certain housing types (single-family) may only be available to certain income bands.

While the jurisdiction does not need to ensure these housing types, they must remove regulatory barriers and provide incentive programs to promote them.

Regulatory Barriers?

Beyond density and housing types, site design regulations can create affordability obstacles limiting the amount of land available for structures such as:

- Setbacks
- Building heights
- Lot dimensions
- Hard surface limits
- Parking requirements
- Design and architectural requirements
- Approval process

Can dramatically change the development patterns of an area

“Leap of Faith” – Code amendments in one hand and a moratorium in the other?

Housing Affordability Incentives - Greater Guarantee?

Multifamily Tax Exemption (MFTE)

- As the title would indicate, it provides a property tax exemption for multifamily construction.
- The 12- and 20-year versions require a minimum of 20% of units to be affordable to families making a 115% AMI or lower. Length of affordability is tied to length of exemption.
- Exemption only applies to residential value of project (commercial uses and land are still taxable).
- **Considerations:**
  - A tax shift occurs where the taxes on the new development value are borne by other property owners in the jurisdiction during the exemption period.
  - Sales tax from the construction and future property tax based on the new development will generate revenue for the jurisdiction.
  - Special purpose districts (schools, fire) may be impacted by the program affecting their revenues.
  - Units may become market-rate after the exemption period ends.

Climate Change and Resiliency

HB 1181, passed in 2023, adds a climate goal to the Growth Management Act (GMA) and requires local comprehensive plans to have a climate element with resilience and greenhouse gas emissions mitigation measures.

Central Puget Sound jurisdictions must have elements adopted by 2029.

- The **resilience sub-element** must include goals and polices to address flooding, sea-level rise, saltwater intrusion, wildfire risk and heat events on both public and private property.
- The **greenhouse gas emissions sub-element** must include goals and policies to reduce emissions and vehicle miles traveled. This sub-element is mandatory for only the state's 11 largest counties and its cities.
- Climate elements must also maximize economic, environmental, and social co-benefits and prioritize environmental justice in order to avoid worsening environmental health disparities.

Element may create conflicts with others but also includes an "are trees good (carbon sequestration and heat mitigation) or bad (when they burn)" conundrum.

Economic Development – I Want Jobs

Priorities without prioritization.

- Council/Commission direction often limited looking for “jobs” or “family-wage” jobs. A list of often incompatible sectors are common yet have limited value (peanut-butter approach).
- Economic Development success depends on developing a specific “what” and then a “where” based on a documented plan.
- Understand your jurisdictions' role to avoid redundancy/conflicts with economic partners such as Associate Development Organizations, ports and other major business stakeholders.

The Economic "What"

What employers are your jurisdiction seeking (keep it focused)?

- Expansion of existing businesses or soliciting new?
- What are your jurisdictions strength's (workforce, academic institutions, existing businesses)?
- Seeking cutting edge or established market?
- What are the sector's needs (highway access, plentiful electricity, specific workforce)?
- Who else in the region are you in competition with?
- **How will the sector generate revenue to balance potential infrastructure or service needs (direct and secondary)?**

The Economic "Where"

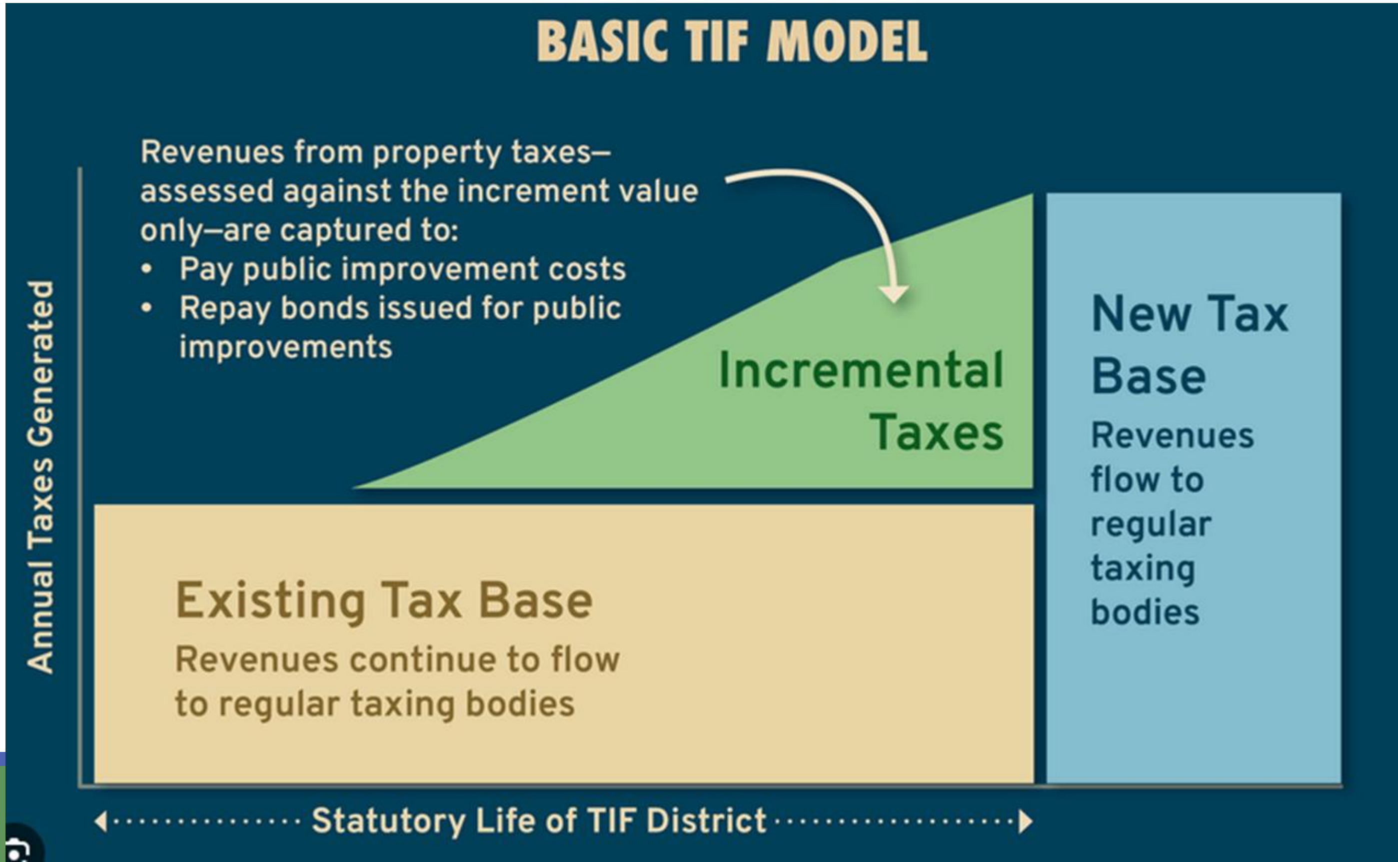
Based on the sector's needs, finding a competitive site(s):

- Available or prospective land zoned for commercial/employment uses (best if publicly-owned)?
- Any land entitlements already in place (site plan approval, conditional use)?
- Can any impacts be mitigated (truck traffic, noise, odors)?
- How easily can infrastructure be provided?
- How easily can employees find housing?
- Sources of "other people's money" to perfect the site (state, federal, private investment)?

Economic Development Tools

Tax Increment Financing (TIF)

- HB 1189 (passed in 2021) Authorizes local governments to designate tax increment financing areas and to use increased local property tax collections to fund public improvements.



- Recent Examples
  - Lakewood
  - Ridgeway

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Economic Development Tools

- TIF-lite
  - Local Infrastructure Financing Tool Program (LIFT)
  - Local Revitalization Financing (LRF)
  - Community Revitalization Financing (CRF)
  - Hospital Benefit Zones (HBZ)
- Public Development Authorities (PDA)
- Public Facilities Districts (PFD)
- Community Renewal Area (CRA)/Community Renewal Plan
- Opportunity Zones

Economic Development Tools – Site Specific

Infrastructure Investment

- Streets and Sidewalks
- Utilities (including electricity)
- Parks and Open Spaces
- LIDs & BIAs
- Electric vehicle charging stations
- Farmer's Market/Public Markets

Transportation Options

- Commuter rail
- Light rail
- Waterfront access
- Bus rapid transit (BRT)
- Regular and reliable bus service
- Transit-oriented development (TOD)

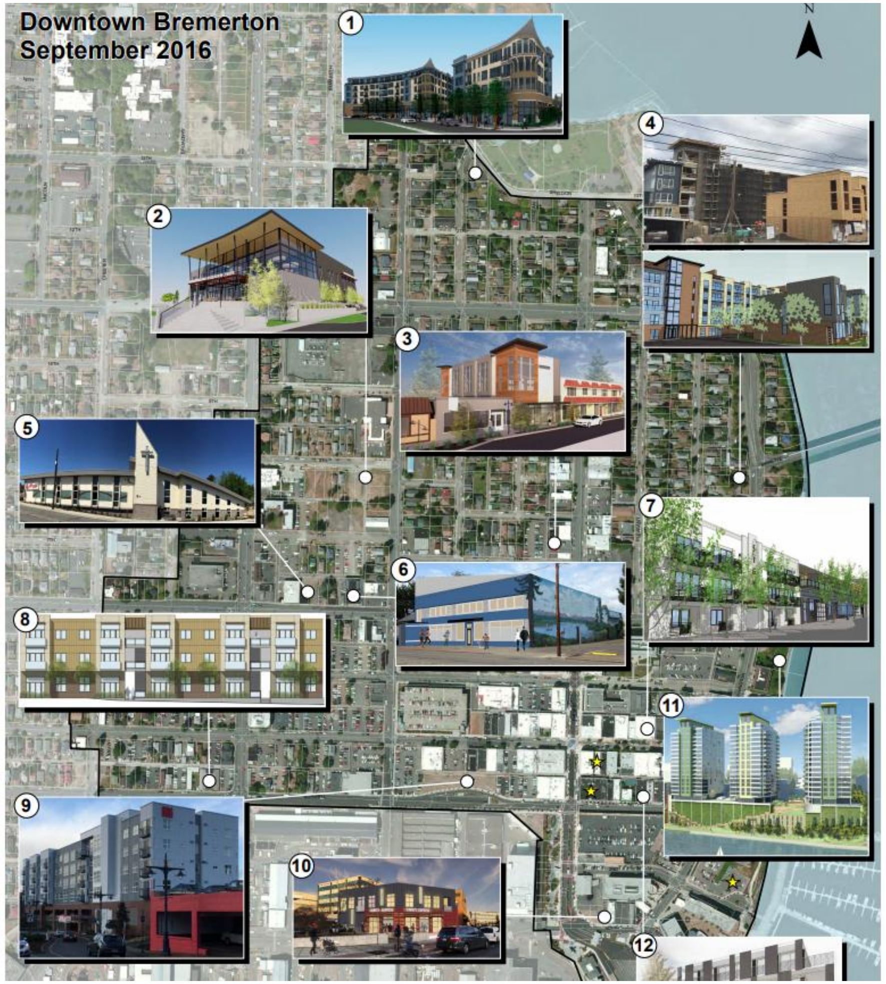
Economic Development – Other Local Actions

- Streamlined permitting process
- Competitive permit fees
- Housing options
- Tax Incentives (e.g., no B&O tax)
- Impact Fees (transportation, parks, fire, schools)
- Lodging Tax (Hotel/Motel)
- Multi-Family Tax Exemption (MFTE)

Economic Development Programs

- Business Assistance and Development Programs
- Business Retention and Expansion (BRE)
- Workforce Development
- Main Street Program
- EB5 Regional Center
- Foreign Trade Zones
- New Market Tax Credits (NMTC)
- Innovation Partnership Zone (IPZ)
- Hub Zone Program

Bremerton - Downtown



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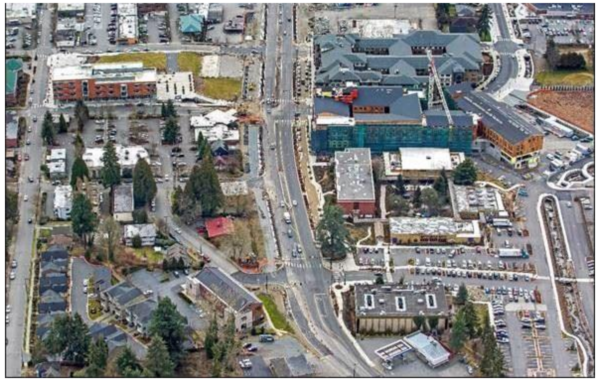
Bothell – Downtown



Kent Station

University Place

Kirkland

Spokane

Auburn

Thank you!

What did I just listen to?