

TASK FORCE MEETING 8 SUMMARY

Date: Tuesday, September 6, 2022

Location: Zoom

Time: 1 p.m. – 4:30 p.m.

Attendance

Task Force members

Bryce Yadon, Futurewise
Carlene Anders, Pateros
Carl Schroeder, AWC
Chris Collier, American Planning Association
Dave Andersen, Department of Commerce
Deric Gruen, Front and Centered
Jan Himebaugh, BIAW
Jeanette McKague, WA Realtors
Jeff Clarke, WA Association of Sewer and Water Districts
Paul Jewell, WSAC

Consultant team

Clay White, LDC
Emma Dorazio, PRR
Matt Covert, LDC

Observers

Maggie Douglas, SCS

Objectives

Task Force members will:

- Understand the current status of the project and the schedule
- Provide input on four of the eight topics being considered by the Task Force

Summary

ITEM	TIME
<p>Welcome</p> <p>The project team welcomed Task Force members to the eighth meeting and reviewed the agenda, which focused on reviewing and developing recommendations related to housing tax incentives, integrating water, sewer, ports, schools with comprehensive planning, varied planning requirements in the GMA, and annexations and special districts.</p>	1:00 p.m.
<p>Project update and schedule review</p> <p>The project team reviewed the schedule of upcoming Task Force meetings, which will be used to develop and finalize recommendations for each topic issue. The conversation in these meetings will be largely guided by recommendations from the working groups.</p> <p>The Department of Commerce has provided the raw data from the survey, which wrapped up response collection on August 30. The survey touched on all topic issues, and the project team will share a summary of findings with the Task Force once they have been reviewed and analyzed.</p>	1:05 p.m.
<p>Housing – tax incentives</p> <p>Collaborative Roadmap Phases I and II highlighted need to reform the tax structure to improve and provide fiscal tools for cities and counties to encourage housing at higher densities in urban areas. Some tools already exist and have been expanded, like Multi-Family Tax Exemption (MFTE). Bills have been introduced to create new fiscal tools, including housing benefit districts, in previous sessions.</p> <p>Generally, the Task Force shared support for supporting bills that the legislature has already seen and supported, including Real Estate Excise Tax (REET) (HB 1157) and Housing Benefit Districts bills from the 2021 and 2022 legislative sessions (HB 1128 and HB 1880), with some clarifications.</p> <p>The Task Force also supported developing high level recommendations about applications of MFTE to homeownership. Task Force members advocated for</p>	1:10 p.m.

language related to auditing and income verification and clear communication about who and what behavior recommendations will incentivize.

Task Force members also expressed interest in expanding the number of counties where jurisdictions would be eligible to apply for MFTE or developing similar options for counties where MFTE may not apply.

Integrating water, sewer, ports, schools with comprehensive planning

Special districts like sewer, water, school, and port districts plan under different laws than cities and counties, and boundaries often cross multiple jurisdictions or, in some cases, county boundaries. The GMA requires cities and counties to coordinate capital facilities planning with special districts, but those districts do not necessarily plan the same way GMA jurisdictions do. Roadmap Phase I recommended this as a needed reform to the growth policy framework.

Generally, the task force supported opportunities to connect special district code to the GMA, opportunities to explore notice about land use code changes, and recommending a more holistic study or review to develop recommendations related to coordination between special districts, cities, and counties.

Task Force members shared support for increasing the quality of communication between special districts, utilities, and planners with caution about the cost of new requirements. Specifically, Task Force members identified the need for coordination in urban areas and following housing code changes that increase density, for example middle housing code. The Task Force also discussed incentive mechanisms for coordination and aligning update cycles for water, sewer, and comprehensive plans.

1:46 p.m.

Varied planning requirements under the GMA

The topic of varied planning requirements has evolved over time. Collaborative Roadmap Phases I and II included recommendations about varied requirements under the Growth Management Act to make planning requirements easier to implement, recognize regional differences, and provide greater assistance to smaller or slower growing counties and cities.

Task Force members discussed allowing Fully Planning counties to complete only Partially Planning County requirements when growth rates are minimal,

2:47 p.m.

removing or reducing the Buildable Lands requirements in the Growth Management Act, and requirements for Fully Planning jurisdictions to update Countywide Planning Policies prior to each required Comprehensive Plan update.

Task Force members shared concern about updating categories of planning requirements based on population growth and loss alone, considering potential for changing needs related to environment, housing, and equity. Some Task Force members shared preference for increasing resources for small and slow growing jurisdictions rather than reducing planning requirements.

The Task Force supported efficiencies that streamline the process for small and slow growing counties without reducing critical planning requirements, for example, allowing CAO adoption by reference.

The Task Force shared general support for removing or reducing the Buildable Lands requirements in the Growth Management Act but noted that data collection and analysis efforts are valuable.

Task Force members were generally uninterested or unsupportive of requirements for Fully Planning jurisdictions to update Countywide Planning Policies prior to each required Comprehensive Plan update.

Increase resources for commerce

Collaborative Roadmap Phase I and II found resounding support for increasing resources for Commerce to provide greater technical assistance to local governments.

The Task Force discussed which recommendations are most or least important to prioritize for funds. Task Force members shared interest in expertise and development of model code and/or policy language support as funding priorities. The Task Force also expressed interest in providing a menu of funding options to the legislature.

Carl will share the list of findings from prior Collaborative Roadmap phases and working groups with other representatives of AWC to gather more feedback for the project team to consider before Task Force meeting 10.

3:42 p.m.

Annexations – special districts and annexation incentives

Collaborative Roadmap Phase I surfaced recommendations for a special study on annexations to resolve issues. The sales tax incentive for annexations expired in 2015 and interlocal agreements were authorized in 2021. Annexations under this method would be eligible for sales tax incentive if re-authorized, which puts counties at a structural disadvantage since large potential annexation areas in central Puget Sound have already been annexed.

The recommendation from Collaborative Roadmap Phase II to reinstate the annexation tax credit in RCW 82.14.415 and revisit options to provide better geographic access and equity and provide for opportunities for all affected cities and counties to benefit from resources provided by the state to incentivize annexations were not taken up by the legislature.

The Task Force considered if annexations should be looked at holistically as part of a separate study and whether there are options to reduce conflicts with special districts during annexation process. Recommendations from working groups included incorporating coordination with tribal nations into the annexation process.

Task Force members shared support for reinstating the sales tax credit, even expanding it beyond the original intent, and recommending more study to develop parameters.

The Task Force supported clarification in statutory language guiding who is best suited to provide services following annexations to preserve the intent of RCW 36.70A.110 that urban services should be provided by cities.

3:52 p.m.

Next steps

LDC will continue to develop recommendations that received consensus during Task Force meeting 8. Considerations discussed during meeting 8, and during working groups, that do not result in recommendations to the legislature will still be included in the final Collaborative Roadmap Phase III report.

At the next meeting, on September 27, the Task Force will discuss middle housing; equity, environmental justice, and human health; and conflicts, gaps, and redundancies. Before Task Force meeting 9, Clay will share background materials, including the project survey findings.

4:25 p.m.