
SUBSTITUTE SENATE BILL 5739

State of Washington

66th Legislature

2019 Regular Session

By Senate Ways & Means (originally sponsored by Senators Sheldon and Wellman)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to promoting affordable housing in unincorporated
2 areas of rural counties within urban growth areas; amending RCW
3 84.14.060; and amending 2014 c 96 s 1 (uncodified).

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

5 **Sec. 1.** 2014 c 96 s 1 (uncodified) is amended to read as
6 follows:

7 This section is the tax preference performance statement for the
8 tax preference contained in (~~RCW 84.14.040 and 84.14.060~~) section
9 2, chapter . . ., Laws of 2019 (section 2 of this act) and sections 4
10 and 5, chapter 96, Laws of 2014. This performance statement is only
11 intended to be used for subsequent evaluation of the tax preference.
12 It is not intended to create a private right of action by any party
13 or be used to determine eligibility for preferential tax treatment.

14 (1) The legislature categorizes this tax preference as one
15 intended to induce certain designated behavior by taxpayers, as
16 indicated in RCW 82.32.808(2)(a).

17 (2) It is the legislature's specific public policy objective to
18 stimulate the construction of new multifamily housing in urban growth
19 areas located in unincorporated areas of rural counties where housing
20 options, including affordable housing options, are severely limited.
21 It is the legislature's intent to provide the value of new housing

1 construction, conversion, and rehabilitation improvements qualifying
2 under chapter 84.14 RCW an exemption from ad valorem property
3 taxation for eight to twelve years, as provided for in RCW 84.14.020,
4 in order to provide incentives to developers to construct new
5 multifamily housing thereby increasing the number of affordable
6 housing units for low to moderate-income residents in certain rural
7 counties.

8 (3) If a review finds that at least twenty percent of the new
9 housing is developed and occupied by households making at or below
10 eighty percent of the area median income, at the time of occupancy,
11 adjusted for family size for the county where the project is located
12 or where the housing is intended exclusively for owner occupancy, the
13 household may earn up to one hundred fifteen percent of the area
14 median income, at the time of sale, adjusted for family size for the
15 county where the project is located, then the legislature intends to
16 extend the expiration date of the tax preference.

17 (4) In order to obtain the data necessary to perform the review
18 in subsection (3) of this section, the joint legislative audit and
19 review committee may refer to data provided by counties in which
20 beneficiaries are utilizing the preference, the office of financial
21 management, the department of commerce, the United States department
22 of housing and urban development, and other data sources as needed by
23 the joint legislative audit and review committee.

24 **Sec. 2.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to read
25 as follows:

26 (1) The duly authorized administrative official or committee of
27 the city or county may approve the application if it finds that:

28 (a) A minimum of four new units are being constructed or in the
29 case of occupied rehabilitation or conversion a minimum of four
30 additional multifamily units are being developed;

31 (b) If applicable, the proposed multiunit housing project meets
32 the affordable housing requirements as described in RCW 84.14.020;

33 (c) The proposed project is or will be, at the time of
34 completion, in conformance with all local plans and regulations that
35 apply at the time the application is approved;

36 (d) The owner has complied with all standards and guidelines
37 adopted by the city or county under this chapter; and

38 (e) The site is located in a residential targeted area of an
39 urban center or urban growth area that has been designated by the

1 governing authority in accordance with procedures and guidelines
2 indicated in RCW 84.14.040.

3 (2) An application may not be approved after July 1, 2007, if any
4 part of the proposed project site is within a campus facilities
5 master plan, except as provided in RCW 84.14.040(1)(d).

6 (3)(a) An application may not be approved for a residential
7 targeted area in a rural county on or after January 1, 2020 through
8 December 31, 2021.

9 (b) Beginning January 1, 2022, through January 1, 2027, an
10 application may be approved for a residential targeted area in a
11 rural county.

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