
SECOND SUBSTITUTE SENATE BILL 6411

State of Washington

66th Legislature

2020 Regular Session

By Senate Ways & Means (originally sponsored by Senators Das, Zeiger, Cleveland, Wilson, C., Lovelett, Nguyen, Braun, Keiser, Mullet, Hunt, Lias, and Randall; by request of Office of the Governor)

READ FIRST TIME 02/11/20.

1 AN ACT Relating to expanding the property tax exemption for new
2 and rehabilitated multiple-unit dwellings in urban growth areas;
3 amending RCW 84.14.007, 84.14.010, 84.14.020, 84.14.040, 84.14.060,
4 and 84.14.100; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preferences contained in section 4,
8 chapter . . ., Laws of 2020 (section 4 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preferences. It is not intended to create a private right of
11 action by any party or be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes these tax preferences as ones
14 intended to induce certain designated behavior by taxpayers, as
15 indicated in RCW 82.32.808(2)(a).

16 (3) It is the legislature's specific public policy objective to:

17 (a) Incentivize developers to construct or rehabilitate
18 multifamily housing;

19 (b) Incentivize local governments and multifamily housing owners
20 to maintain or expand existing income-restricted unit stock that have
21 been incentivized through the tax exemption provided under chapter

1 84.14 RCW via new authority to renew the property tax abatement in
2 exchange for continued or additional affordability; and

3 (c) Further encourage multifamily construction in cities and
4 certain unincorporated urban growth areas by expanding access to the
5 multifamily tax exemption program to a broader set of jurisdictions.

6 (4) It is the legislature's intent to provide the value of new
7 housing construction, conversion, and rehabilitation improvements
8 qualifying under chapter 84.14 RCW an exemption from ad valorem
9 property taxation for eight to twelve years or more, as provided for
10 in RCW 84.14.020, in order to provide incentives to developers to
11 construct or rehabilitate multifamily housing thereby increasing the
12 number of affordable housing units, or preserving the state's stock
13 of income-restricted units, for low-income to moderate-income
14 residents in certain urban growth areas.

15 (5) The legislature intends to extend the expiration date of the
16 tax preferences in section 4, chapter . . ., Laws of 2020 (section 4
17 of this act), if a review finds that:

18 (a) Projects receiving an initial eight-year or twelve-year
19 exemption regularly enter into subsequent twelve-year extensions in
20 exchange for continued or increased income restrictions on affordable
21 units; and

22 (b) At least twenty percent of the new housing is developed and
23 occupied by households earning:

24 (i) At or below eighty percent of the area median income, at the
25 time of occupancy, adjusted for family size for the city or county in
26 which the project is located; or

27 (ii) Where the housing is intended exclusively for owner
28 occupancy, up to one hundred fifteen percent of the area median
29 income, at the time of sale, adjusted for family size for the city or
30 county in which the project is located.

31 (6) In order to obtain the data necessary to perform the review
32 in subsection (4) of this section, the joint legislative audit and
33 review committee must refer to the annual reports compiled by the
34 department of commerce under RCW 84.14.100 and may refer to data
35 provided by counties or cities in which persons are utilizing the
36 preferences, the office of financial management, the department of
37 commerce, the United States department of housing and urban
38 development, and any other data sources, as needed by the joint
39 legislative audit and review committee.

1 **Sec. 2.** RCW 84.14.007 and 2014 c 96 s 2 are each amended to read
2 as follows:

3 It is the purpose of this chapter to encourage increased
4 residential opportunities, including affordable housing
5 opportunities, in residential targeted areas of cities (~~(that are~~
6 ~~required to plan or choose to plan under the growth management act~~
7 ~~within urban centers)) where the governing authority of the affected
8 city has found there is insufficient housing opportunities, including
9 affordable housing opportunities. It is further the purpose of this
10 chapter to stimulate the construction of new multifamily housing and
11 the rehabilitation of existing vacant and underutilized buildings for
12 multifamily housing in (~~(urban centers))~~ residential targeted areas
13 having insufficient housing opportunities that will increase and
14 improve residential opportunities, including affordable housing
15 opportunities(~~(, within these urban centers))~~). To achieve these
16 purposes, this chapter provides for special valuations in
17 (~~(residentially deficient urban centers))~~ designated residential
18 targeted areas for eligible improvements associated with multiunit
19 housing, which includes affordable housing. It is an additional
20 purpose of this chapter to allow unincorporated areas of (~~(rural))~~
21 counties that are within urban growth areas to stimulate housing
22 opportunities (~~(and for certain counties to stimulate housing~~
23 ~~opportunities near college campuses)), to incentivize redevelopment
24 of areas in urban growth areas to promote transit supportive
25 densities and more efficient land use, and to promote dense, transit-
26 oriented, walkable college communities near college campuses.~~~~

27 **Sec. 3.** RCW 84.14.010 and 2017 c 52 s 16 are each amended to
28 read as follows:

29 The definitions in this section apply throughout this chapter
30 unless the context clearly requires otherwise.

31 (1) "Affordable housing" means residential housing (~~(that is~~
32 ~~rented by a person or household whose)) for rental occupancy which,
33 as long as the housing is occupied by low-income households, requires
34 payment of monthly housing costs, including utilities other than
35 telephone, (~~(do not exceed)) of no more than thirty percent of the
36 household's monthly income. For the purposes of housing intended for
37 owner occupancy, "affordable housing" means residential housing that
38 is within the means of low or moderate-income households.~~~~

1 (2) "Campus facilities master plan" means the area that is
2 defined by the University of Washington as necessary for the future
3 growth and development of its campus facilities for campuses
4 authorized under RCW 28B.45.020.

5 (3) "City" means (~~(either (a) a city or town with a population of~~
6 ~~at least fifteen thousand, (b) the largest city or town, if there is~~
7 ~~no city or town with a population of at least fifteen thousand,~~
8 ~~located in a county planning under the growth management act, or (c)~~
9 ~~a city or town with a population of at least five thousand located in~~
10 ~~a county subject to the provisions of RCW 36.70A.215)) any city or~~
11 ~~town.~~

12 (4) "County" means (~~(a county with an unincorporated population~~
13 ~~of at least three hundred fifty thousand)) all counties fully~~
14 ~~planning under RCW 36.70A.040.~~

15 (5) "Governing authority" means the local legislative authority
16 of a city or a county having jurisdiction over the property for which
17 an exemption may be applied for under this chapter.

18 (6) "Growth management act" means chapter 36.70A RCW.

19 (7) "High cost area" means a county where the third quarter
20 median house price for the previous year as reported by the
21 Washington center for real estate research at Washington State
22 University is equal to or greater than one hundred thirty percent of
23 the statewide median house price published during the same time
24 period.

25 (8) "Household" means a single person, family, or unrelated
26 persons living together.

27 (9) "Low-income household" means a single person, family, or
28 unrelated persons living together whose adjusted income is at or
29 below eighty percent of the median family income adjusted for family
30 size, for the city or county where the project is located, as
31 reported by the United States department of housing and urban
32 development. For cities located in high-cost areas, "low-income
33 household" means a household that has an income at or below one
34 hundred percent of the median family income adjusted for family size,
35 for the city or county where the project is located.

36 (10) "Moderate-income household" means a single person, family,
37 or unrelated persons living together whose adjusted income is more
38 than eighty percent but is at or below one hundred fifteen percent of
39 the median family income adjusted for family size, for the city or
40 county where the project is located, as reported by the United States

1 department of housing and urban development. For cities located in
2 high-cost areas, "moderate-income household" means a household that
3 has an income that is more than one hundred percent, but at or below
4 one hundred fifty percent, of the median family income adjusted for
5 family size, for the city or county where the project is located.

6 (11) "Multiple-unit housing" means a building having four or more
7 dwelling units not designed or used as transient accommodations and
8 not including hotels and motels. Multifamily units may result from
9 new construction or (~~rehabilitated~~) rehabilitation or conversion of
10 vacant, underutilized, or substandard buildings to multifamily
11 housing.

12 (12) "Owner" means the property owner of record.

13 (13) "Permanent residential occupancy" means multiunit housing
14 that provides either rental or owner occupancy on a nontransient
15 basis. This includes owner-occupied or rental accommodation that is
16 leased for a period of at least one month. This excludes hotels and
17 motels that predominately offer rental accommodation on a daily or
18 weekly basis.

19 (14) "Rehabilitation improvements" means modifications to
20 existing structures, that are vacant for twelve months or longer,
21 that are made to achieve a condition of substantial compliance with
22 existing building codes or modification to existing occupied
23 structures which increase the number of multifamily housing units.

24 (15) "Residential targeted area" means an area within an urban
25 center or urban growth area that: (a) (i) Is zoned to allow an average
26 minimum density equivalent to fifteen dwelling units or more per
27 gross acre; or (ii) for cities with a population over twenty
28 thousand, is zoned to allow an average minimum density equivalent to
29 twenty-five dwelling units or more per gross acre; and (b) has been
30 designated by the governing authority as a residential targeted area
31 in accordance with this chapter. With respect to designations after
32 July 1, 2007, "residential targeted area" may not include a campus
33 facilities master plan.

34 (~~(16) ("Rural county" means a county with a population between~~
35 ~~fifty thousand and seventy-one thousand and bordering Puget Sound.~~

36 ~~(17))~~ "Substantial compliance" means compliance with local
37 building or housing code requirements that are typically required for
38 rehabilitation as opposed to new construction.

1 (~~(18)~~) (17) "Urban center" means a compact identifiable
2 district where urban residents may obtain a variety of products and
3 services. An urban center must contain:

4 (a) Several existing or previous, or both, business
5 establishments that may include but are not limited to shops,
6 offices, banks, restaurants, governmental agencies;

7 (b) Adequate public facilities including streets, sidewalks,
8 lighting, transit, domestic water, and sanitary sewer systems; and

9 (c) A mixture of uses and activities that may include housing,
10 recreation, and cultural activities in association with either
11 commercial or office, or both, use.

12 **Sec. 4.** RCW 84.14.020 and 2007 c 430 s 4 are each amended to
13 read as follows:

14 (1)(a) The value of new housing construction, conversion, and
15 rehabilitation improvements qualifying under this chapter is exempt
16 from ad valorem property taxation, as follows:

17 (i) For properties for which applications for certificates of tax
18 exemption eligibility are submitted under this chapter (~~(84.14-RCW)~~)
19 before July 22, 2007, the value is exempt for ten successive years
20 beginning January 1 of the year immediately following the calendar
21 year of issuance of the certificate; and

22 (ii) For properties for which applications for certificates of
23 tax exemption eligibility are submitted under this chapter (~~(84.14~~
24 ~~RCW)~~) on or after July 22, 2007, the value is exempt:

25 (A) For eight successive years beginning January 1st of the year
26 immediately following the calendar year of issuance of the
27 certificate; or

28 (B) For twelve successive years beginning January 1st of the year
29 immediately following the calendar year of issuance of the
30 certificate, if the property otherwise qualifies for the exemption
31 under this chapter (~~(84.14-RCW)~~) and meets the conditions in this
32 subsection (1)(a)(ii)(B). For the property to qualify for the twelve-
33 year exemption under this subsection, the applicant must commit to
34 renting or selling at least twenty percent of the multifamily housing
35 units as affordable housing (~~(units)~~) to low and moderate-income
36 households, the applicant must provide units for a variety of
37 household sizes by providing affordable units of different sizes
38 substantially proportional to the property as a whole, and the
39 property must satisfy that commitment and any additional

1 affordability and income eligibility conditions adopted by the local
2 government under this chapter. In the case of projects intended
3 exclusively for owner occupancy, the minimum requirement of this
4 subsection (1)(a)(ii)(B) may be satisfied solely through housing
5 affordable to moderate-income households.

6 (b) The exemptions provided in (a)(i) and (ii) of this subsection
7 do not include the value of land or nonhousing-related improvements
8 not qualifying under this chapter.

9 (2) When a local government adopts guidelines pursuant to RCW
10 84.14.030(2) and includes conditions that must be satisfied with
11 respect to individual dwelling units, rather than with respect to the
12 multiple-unit housing as a whole or some minimum portion thereof, the
13 exemption may, at the local government's discretion, be limited to
14 the value of the qualifying improvements allocable to those dwelling
15 units that meet the local guidelines.

16 (3) In the case of rehabilitation of existing buildings, the
17 exemption does not include the value of improvements constructed
18 prior to the submission of the application required under this
19 chapter. The incentive provided by this chapter is in addition to any
20 other incentives, tax credits, grants, or other incentives provided
21 by law.

22 (4) This chapter does not apply to increases in assessed
23 valuation made by the assessor on nonqualifying portions of building
24 and value of land nor to increases made by lawful order of a county
25 board of equalization, the department of revenue, or a county, to a
26 class of property throughout the county or specific area of the
27 county to achieve the uniformity of assessment or appraisal required
28 by law.

29 (~~(At the conclusion of the exemption period, the new or~~
30 ~~rehabilitated housing cost shall)) The value of the new housing
31 construction, conversion, or rehabilitation improvements must be
32 considered as new construction for the purposes of chapters 84.55 and
33 36.21 RCW as though the property was not exempt under this chapter.~~

34 (6) For properties that qualified for, satisfied the conditions
35 of, and utilized the exemption under subsection (1)(a)(ii)(A) of this
36 section, following the initial eight-year exemption period, the
37 exemption period may be extended for an additional twelve years,
38 provided that the local government adopts qualifying guidelines for
39 such an extension, and the applicant meets at a minimum the locally

1 adopted requirements for the property to qualify for an exemption
2 under subsection (1)(a)(ii)(B) of this section.

3 (7) For properties that qualified for, satisfied the conditions
4 of, and utilized the exemption under subsection (1)(a)(ii)(B) of this
5 section, following the initial twelve-year exemption period, the
6 exemption period may be extended for an additional twelve years,
7 provided that the local government adopts qualifying guidelines for
8 such an extension. The local government may adopt and implement more
9 stringent requirements, including limits that apply to a higher
10 percentage of units than the minimum conditions required for the
11 exemption as provided under subsection (1)(a)(ii)(B) of this section
12 in order to qualify for an extension. For the property to qualify for
13 an extension under this subsection (7), the applicant must meet at a
14 minimum the locally adopted requirements for the property to qualify
15 for an exemption under subsection (1)(a)(ii)(B) of this section.

16 (8)(a) At the end of both the tenth and eleventh years of an
17 exemption provided under (1)(a)(ii)(B) of this section, applicants
18 must provide tenants of rent-restricted units with notification of
19 intent to apply for an additional exemption period, or intent to
20 increase rents at the close of the exemption.

21 (b) At the end of both the tenth and eleventh years of an
22 extended exemption provided under subsection (6) or (7) of this
23 section, applicants must provide tenants of rent-restricted units
24 with notification of intent to increase rents at the close of the
25 exemption.

26 **Sec. 5.** RCW 84.14.040 and 2014 c 96 s 4 are each amended to read
27 as follows:

28 (1) The following criteria must be met before an area may be
29 designated as a residential targeted area:

30 (a) The area must be within a city, or for a county, within an
31 urban center, as determined by the governing authority, and must be
32 zoned to allow an average minimum density equivalent to fifteen
33 dwelling units or more per gross acre, or for cities with a
34 population over twenty thousand, be zoned to allow an average minimum
35 density equivalent to twenty-five dwelling units or more per gross
36 acre;

37 (b) The area must lack, as determined by the governing authority,
38 sufficient available, desirable, and convenient residential housing,
39 including affordable housing, to meet the needs of the public who

1 would be likely to live in the urban center, if the affordable,
2 desirable, attractive, and livable places to live were available;

3 (c) The providing of additional housing opportunity, including
4 affordable housing, in the area, as determined by the governing
5 authority, will assist in achieving one or more of the stated
6 purposes of this chapter; and

7 (d) If the residential targeted area is designated by a county,
8 the area must be located in an unincorporated area of the county that
9 is within an urban growth area under RCW 36.70A.110 and the area must
10 be: (i) In a (~~rural~~) county, served by a sewer system and
11 designated by a county prior to January 1, 2013; (~~or~~) (ii) in a
12 county that includes a campus of an institution of higher education,
13 as defined in RCW 28B.92.030, where at least one thousand two hundred
14 students live on campus during the academic year; or (iii) until July
15 1, 2024, in a county seeking to promote transit supportive densities
16 and efficient land use in an area that is located within a designated
17 urban growth area and within one-quarter of a mile of a corridor
18 where bus service is scheduled at least every twenty minutes for no
19 less than ten hours per weekday and is in service or is planned for
20 service to begin within five years of designation.

21 (2) For the purpose of designating a residential targeted area or
22 areas, the governing authority may adopt a resolution of intention to
23 so designate an area as generally described in the resolution. The
24 resolution must state the time and place of a hearing to be held by
25 the governing authority to consider the designation of the area and
26 may include such other information pertaining to the designation of
27 the area as the governing authority determines to be appropriate to
28 apprise the public of the action intended.

29 (3) The governing authority must give notice of a hearing held
30 under this chapter by publication of the notice once each week for
31 two consecutive weeks, not less than seven days, nor more than thirty
32 days before the date of the hearing in a paper having a general
33 circulation in the city or county where the proposed residential
34 targeted area is located. The notice must state the time, date,
35 place, and purpose of the hearing and generally identify the area
36 proposed to be designated as a residential targeted area.

37 (4) Following the hearing, or a continuance of the hearing, the
38 governing authority may designate all or a portion of the area
39 described in the resolution of intent as a residential targeted area

1 if it finds, in its sole discretion, that the criteria in subsections
2 (1) through (3) of this section have been met.

3 (5) After designation of a residential targeted area, the
4 governing authority must adopt and implement standards and guidelines
5 to be utilized in considering applications and making the
6 determinations required under RCW 84.14.060. The standards and
7 guidelines must establish basic requirements for both new
8 construction and rehabilitation, which must include:

9 (a) Application process and procedures;

10 (b) Income and rent standards for affordable units;

11 (c) Requirements that address demolition of existing structures
12 and site utilization; and

13 ~~((e))~~ (d) Building requirements that may include elements
14 addressing parking, height, density, environmental impact, and
15 compatibility with the existing surrounding property and such other
16 amenities as will attract and keep permanent residents and that will
17 properly enhance the livability of the residential targeted area in
18 which they are to be located.

19 (6) The governing authority may adopt and implement ~~((either))~~
20 as conditions to ~~((eight-year exemptions or as conditions to an~~
21 ~~extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or~~
22 ~~both,))~~ any exemption granted pursuant to RCW 84.14.020 more
23 stringent income eligibility, rent, or sale price limits, including
24 limits that apply to a higher percentage of units, than the minimum
25 conditions for an extended exemption period under RCW
26 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an
27 unincorporated area of a county, a property owner seeking tax
28 incentives under this chapter must commit to renting or selling at
29 least twenty percent of the multifamily housing units as affordable
30 housing units to low and moderate-income households. In the case of
31 multiunit housing intended exclusively for owner occupancy, the
32 minimum requirement of this subsection (6) may be satisfied solely
33 through housing affordable to moderate-income households.

34 (7) After designation of a residential targeted area, the
35 governing authority must notify the county assessor's office of the
36 county in which the residential targeted area is located and the
37 department of commerce of the intention to offer the tax exemption
38 provided under this chapter with a projected fiscal impact and
39 potential expiration date.

1 **Sec. 6.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to read
2 as follows:

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

5 (a) A minimum of four new units are being constructed or in the
6 case of occupied rehabilitation or conversion a minimum of four
7 additional multifamily units are being developed;

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

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

13 (d) The owner has complied with all standards and guidelines
14 adopted by the city or county under this chapter, including
15 jurisdiction-specific income and rent standards; (~~and~~)

16 (e) The site is located in a residential targeted area of an
17 urban center or urban growth area that has been designated by the
18 governing authority in accordance with procedures and guidelines
19 indicated in RCW 84.14.040; and

20 (f)(i) The city or county has conducted an analysis of the
21 project's benefit to the public with and without a property tax
22 exemption. Such an analysis must include, but not be limited to, an
23 assessment of displacement of existing residents, gentrification of
24 existing neighborhoods, and the project's contribution to the housing
25 needs of the community.

26 (ii) For projects applying for the exemption under RCW
27 84.14.020(1)(a)(ii)(B), the analysis must additionally assess the
28 proposed rent levels for income-restricted units at the time of
29 issuance of the exemption compared to fair market rents in similar
30 areas. If income-restricted rent levels do not result in rents lower
31 than the fair market rent, the project may not receive an exemption
32 under RCW 84.14.020(1)(a)(ii)(B), but may apply for an exemption
33 under RCW 84.14.020(1)(a)(ii)(A).

34 (2) For all newly exempted projects after July 1, 2020, with a
35 specific rent-restricted affordable housing requirement pursuant to
36 RCW 84.14.020, as a condition of approval of an application under
37 this section, a local jurisdiction must enter into an agreement with
38 the project applicant to provide at least one of the following to
39 tenants occupying rent-restricted units:

1 (a) At the close of the exemption, a gradual monthly rent
2 increase from the specified affordable rate to market rate over a
3 period of months equivalent to the number of years that a tenant
4 resided within a rent-restricted unit;

5 (b) Rental assistance for a period not to exceed one year, or
6 until the tenant exits a given rent-restricted unit; or

7 (c) At the close of the exemption, relocation assistance
8 including, but not limited to, advance payments required for moving
9 into a new residence, and any application fees.

10 (3) By June 1, 2024, and every four years thereafter, a governing
11 jurisdiction shall conduct a cumulative assessment of public benefit
12 of all exemptions granted under this chapter. A governing
13 jurisdiction shall evaluate whether its exemption program should be
14 revised to address cumulative impacts to disadvantaged communities,
15 and whether the program has resulted in additional housing
16 opportunities or displacement of existing residents.

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

20 ~~((3) An application may not be approved for a residential~~
21 ~~targeted area in a rural county on or after January 1, 2020.))~~

22 **Sec. 7.** RCW 84.14.100 and 2012 c 194 s 9 are each amended to
23 read as follows:

24 (1) Thirty days after the anniversary of the date of the
25 certificate of tax exemption and each year for the tax exemption
26 period, the owner of the rehabilitated or newly constructed property
27 must file with a designated authorized representative of the city or
28 county an annual report indicating the following:

29 (a) A statement of occupancy and vacancy of the rehabilitated or
30 newly constructed property during the twelve months ending with the
31 anniversary date;

32 (b) A certification by the owner that the property has not
33 changed use and, if applicable, that the property has been in
34 compliance with the affordable housing requirements as described in
35 RCW 84.14.020 since the date of the certificate approved by the city
36 or county;

37 (c) A description of changes or improvements constructed after
38 issuance of the certificate of tax exemption; and

1 (d) Any additional information requested by the city or county in
2 regards to the units receiving a tax exemption.

3 (2) All cities or counties, which issue certificates of tax
4 exemption for multiunit housing that conform to the requirements of
5 this chapter, must report annually by ~~((December 31st of each))~~ June
6 30th of the following year, beginning in ~~((2007))~~ 2020, to the
7 department of commerce. The report must include the following
8 information:

9 (a) The number of tax exemption certificates granted;

10 (b) The total number and type of units produced or to be
11 produced;

12 (c) The number, size, and type of units produced or to be
13 produced meeting affordable housing requirements;

14 (d) The actual development cost of each unit produced;

15 (e) The total monthly rent or total sale amount of each unit
16 produced;

17 (f) ~~((The))~~ For affordable units, the annual income and household
18 size of each renter or owner household ~~((at the time of initial~~
19 ~~occupancy and the income of each initial purchaser of owner-occupied~~
20 ~~units at the time of purchase))~~ for each of the units receiving a tax
21 exemption and a summary of these figures for the city or county; and

22 (g) The value of the tax exemption for each project receiving a
23 tax exemption and the total value of tax exemptions granted.

24 (3) By December 1, 2020, the department of commerce shall consult
25 with affected stakeholders to review and consider revising the
26 reporting required by this section. The department shall consider
27 amending or providing additional guidance and forms to facilitate
28 effective data collection, compilation, and reporting. The department
29 shall consult participants on effective strategies to provide rental
30 and relocation assistance via a statewide approach. The guidance must
31 also address calculation of equivalent densities in residential
32 targeted areas and methods for evaluating the public benefit pursuant
33 to RCW 84.14.060(1)(f).

34 (4)(a) A city or county that fails to meet the reporting
35 requirements of this section may not approve applications under RCW
36 84.14.070 in the calendar year following the year in which the city
37 or county failed to meet the reporting requirements under this
38 section.

39 (b) The department of commerce must notify the city or county,
40 and the department of revenue, if the department of commerce

1 determines that the city or county failed to meet the reporting
2 requirements under this section.

3 (c) The department of commerce may provide in rule a mechanism
4 whereby a city or county failing to meet the reporting requirements
5 under this section is able to reestablish its eligibility to approve
6 applications under RCW 84.14.070.

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