

## TASK FORCE MEETING 2 NOTES SUMMARY

**Date:** Tuesday, November 16, 2021

**Location:** Virtual meeting

**Time:** 1 p.m. – 4:30 p.m.

### Attendees present:

Staff team: Brett Houghton (PRR), Michelle Auster (PRR), Whitney Rearick (PRR), Clay White (LDC), Matt Covert (LDC)

Task Force members:

- Bill Clarke, Washington Realtors
- Dave Andersen, Department of Commerce
- Carl Schroeder, Association of Washington Cities
- Deric Gruen, Front and Centered
- Tim Gates, Department of Ecology
- Joe Tovar, American Planning Association, Washington chapter
- Bryce Yadon, Futurewise
- Carlene Anders, Pateros, WA

### Agenda:

ITEM	LEAD
Meeting 1 Recap	Brett Houghton, PRR
Task Force introductions Recommendation process overview	Brett Houghton
Task Force recommendations: <ul style="list-style-type: none"> <li>• Issue #1: Local government funding for required planning</li> </ul>	Clay White, LDC

ITEM	LEAD
<ul style="list-style-type: none"> <li>• Issue #2: Additional time for 2024 jurisdictions to complete Comp Plan/development regulations updates</li> </ul>	
<ul style="list-style-type: none"> <li>■ Issue introductions – feedback and initial discussion</li> <li>■ Issue #3: Sales tax incentive for annexations</li> <li>■ Issue #4: Permit data collection/permit process study</li> </ul>	Clay White and Matt Covert, LDC
Next steps and action items	Matt Covert, LDC
Adjourn	--

Summary:

**Welcome and Introductions**

*Discussion of shared principles*

- Language on protection of property rights – make sure this includes rights of renters – add “and rights of renters” after landowners
- Conflict between language of sprawl (which is in the eye of the beholder) and the need for affordable housing.
- Equity – racial, geographic – need to include this somewhere
- Predictability missing from permit processes

**Issue Recommendations**

*Issue #1: Local government funding for required planning*

**DESCRIPTION**

- Principle of needing to fund local governments if you want them to do the work
- Principle of predictable, ongoing funding

## CLARIFYING QUESTIONS

- Commerce is proposing budget that meets current requirements. Can't say whether it would be adequate to address potential new requirements, which can't be laid out without a local government fiscal note

## QUICK REACTIONS

- Carl - Some jurisdictions still haven't recovered staffing-wise from the 2007-2008 recession. Many can't even meet current requirements, let alone deal with new issues.
- Carlene – likes proposal very much, particularly for rural cities that share staff between them.
- Tim – when at Commerce, had a \$5 million biennial allocation, which was stable and predictable. State hasn't been able to be a very robust partner for implementation since. This would help significantly.
- Deric – supportive of main message. Would love to see bonus funding focused on participation, not just on doing the substantive work.

## CONSENT PHASE

Bill Clarke	Consent
Bryce Yadon	Consent
Carl Schroeder	Consent
Dave Andersen	Consent
Deric Gruen	Consent
Joe Tovar	Consent
Tim Gates	Consent
Carlene Anders	Consent

Next phase – taking potential recommendations for additional incentive funding up when scoping 2023 issues.

*Issue #2: Additional time for 2024 jurisdictions to complete comp plan/development regulation updates*

## CLARIFYING QUESTIONS

- Carlene – would this have a cascading effect? No, would just move the yellow in with the blue in terms of deadlines
- Dave – two ways of looking at this, bunching 2024 with 2025 or moving everyone back a year. Avoids bunching, but would be a much bigger change.
- Tim – what problem is this trying to solve? If you don't meet the deadline, you're subject to a failure to act claim. The solution to that is to just do it. Is there a way to resolve this without actually having to change the date. Clay – if there are substantive changes to the growth policy framework and time is limited, should there be time to do it right?
- Tim – could focusing on the additional time be limited to the new requirements? Clay – that would be a friendly amendment.
- Dave – it's getting very late to add ambitious new requirements, which are on the table. Is there a way in the update cycle to mitigate the effects of the timing for the new requirements? This would address the problem.
- Carl – this does not include the question to extend from 8 to 10, correct? Clay – correct, that's a separate issue.

#### QUICK REACTIONS

- Carlene – if you're worried about bunching, it is going to happen. Look toward something that you can apply for an extension, but it's not automatic for everyone.
- Bryce – will oppose, because you can't assume something is going to happen and you can't define what's significant or why it is needed.
- Bill – want cities and counties to aggressively attack the supply shortage. Additional time could be a part of aggressively attacking housing supply in the meantime. Substance of what happens in comp plans and development regulations is more important than when.
- Dave – getting tight to implement HB 1220 by 2024. Commerce is just now getting ready to issue contract for special needs housing, so it will be even tighter if climate is introduced as an element. We should move the deadline for the whole thing, not just the new requirements
- Carl – would support. This is particularly important in the future when there are more requirements on the horizon. Doesn't see the need if nothing new is added.
- Clay – could we have it where the legislature would consider this only if new requirements are passed? Bryce – we could, but this gets complicated because of the tight timeline and short session. Going to create heartburn for his clients regardless. The more specific we can be the better, but Futurewise will object regardless because of the uncertainty
- Clay and Dave – proposal to amend. HB 1099 may be large enough to apply this extension to the bill rather than defining a threshold. Joe – this gives more time to figure out what the rider on the bill will actually look like.

- Joe – Regional Housing Strategy may be adopted before any changes, so they may address some of the issues with housing
- Tim – issue of needing guidance on climate change by mid-2022 to make it into the 2024 plan updates, so based on current timeline may not have guidance until 2023

## CONSENT PHASE

Task Force not ready to engage in formal consent process - will wait until next meeting.

## Issue Introductions

### *Issue #3: Sales Tax Incentive for Annexations*

#### ROUND ROBIN – SALES TAX INCENTIVE REINSTATEMENT

- Bill – under current law, you get sales tax revenue but you also have to provide services. Are cities looking to do more annexations? Clay – yes
- Carl – what he has heard is that one of the big drivers was King County wanting to divest of unincorporated urban areas. Less progress in the other counties named in the authority. Recently, been hearing not “we need aggressive action to facilitate annexations”, but “we’ve gotten the ones that are easy,” or counties wanting cities to do it. Incentive being split between cities and counties would be generally supported.
- Bryce – generally assumed that cities should include all lands within urban areas – 36.70A.110. Agree, want to know how to add in support for counties, as they are the main drivers of criminal justice as well as still providing lots of services over a huge area. Short- or long-term discussion point. Clay – issue of whether you recommend incentive that was there before, or do you broaden it? Bryce – open to expanding it.
- Deric – feedback from communities in unincorporated areas. Will be soliciting this feedback before the next meeting to be sure to get their perspectives.
- Carl – introduced in expanding beyond original counties as well as population threshold, since most of the larger ones have been addressed. Revenue should be part of revenue sharing agreement between cities and counties. Matt – confirm where sales tax is generated.
- Joe – 36.70A.110 was a major conscious tradeoff. Special districts – heard a lot from water and sewer districts in Roadmap 2.
- Clay – coordination of special districts is part of our list for 2023, so this discussion will continue.

*Issue #4: Permit data collection/permit process study*

**DESCRIPTION**

- Local project review act – 36.70B
- Established in mid-1990s, after GMA.
- Focus on permit processes, timelines, integration with other permit processes, and permit decisions
- Recent attention focused on time to permit projects, especially related to housing
- Permitting continues to become more complex – local govts having issues with staffing, increasing/volatile permit volumes, etc

*Task Force proposals*

- Should state statute on collection and reporting of permit data by certain cities and counties be modified to make permit data easier to prepare?
- Should these permit data be sent to Commerce to create a greater understanding of permit volumes and timelines for certain types of projects?
- Should the Task Force recommend funding a study of permitting best practices and tools that could be used to respond to volatility of permit volumes, staffing needs, and complexity of permitting processes?
- Carl - Clarifying what needs to be submitted data-wise. Real data rather than anecdotes when talking about permitting structures. Not a lot of juice to be squeezed for small jurisdictions on permit process improvements.
- Dave – did not have a proviso last year, but a bill was introduced that included a study and some penalties.
- Dave – could we elaborate on reporting difficulty in statute? Clay – modification to statute would be paring down permit reporting to focus only on specific permits.
- Tim – is there a technology issue where Commerce would have a website for this? Dave – there would be a fiscal note associated with this. Would probably set up a system in Plan View data system for reporting. Bigger complexity is going to be how local governments extract information from their permit system.
- Clay – nothing happens if you don't do it, so it falls down the priority list for jurisdictions.
- Deric – how are data used for research purposes? Could eliminating some data cause issues for statewide analysis? Dave – Commerce has never used this information for anything. Currently jurisdictions are just supposed to post it to their websites. Clay – not

very many cities are required to do this in the first place, and many of those required don't publish the report.

- Dave - Neither Paul, Jan, nor Carl are here, so not comfortable making a recommendation today.

*Proviso to fund study of best practices*

- Bill – if you don't know what to do, do a study! Concerned that a study would take the place of actually doing something substantive.
- Tim – office of regulatory assistance had done one of those studies, although it is pretty long in the tooth. Came up in one of the early iterations of the Ruckelshaus process. Could table this in the future.
- Dave – would defer to local governments on the usefulness of this.