



## WASHINGTON ASSOCIATION OF REALTORS®

Government Affairs - Issue Paper

### *Planning for Quality Growth*

#### **Encouraging Economic Vitality, Providing Housing Opportunities Building Better Communities**

Washington State's Growth Management Act encourages planning for a range of housing, jobs and recreational opportunities where citizens can live, work, and play. *Balanced growth plays a key role in the economic vitality and quality of life in our communities. Effective planning by local governments can often set the stage to encourage sustainable economic growth and housing opportunities.*

**We all want economic vitality, affordable housing, and a healthy environment.** But acquiring these things collectively means beginning with a good plan - like a business plan for communities. Lawmakers originally envisioned this through local comprehensive plans. **However, we are missing an essential element to the community plan - a BUSINESS element.**

*Further, many communities are failing to properly plan for the development of homes to accommodate growth. The resulting loss of affordable housing affects the entire region. High prices keep average working people from buying a home near their job. Young families move out, school enrollment suffers and employers find it difficult to fill jobs because workers can't afford to live near their jobs.*

#### **Challenges Our Communities are Facing**

- **Housing Affordability and Availability:** *Prices are skyrocketing because housing is not available where jobs are located – causing people to buy homes where they can afford: far from where they work.*
- **Traffic Congestion:** *Exacerbation of our traffic problems is caused by people buying homes far from where they work – creating traffic hardships for businesses delivering goods and services, and slowing freight mobility, often meaning the region loses business to another location – strangling the economy.*
- **Unplanned/Poorly Planned Growth:** *Lack of accommodating growth causes housing prices to skyrocket, traffic congestion, sprawl, leap-frog development, inefficient land use, higher taxes, and failure to attract economic opportunities.*
- **No Coordinated Planning for Economic Development:** *Communities fail to attract jobs, fail to coordinate land use, housing and infrastructure necessary to attract the kind of economic growth the community desires and needs.*
- **Job Recruitment and Retention:** *High housing prices and cost of living make it difficult for employers to fill jobs or keep good employees – like teachers – causing the loss of a good workforce, resulting in strangling the economy.*

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- **Economic Disparity:** *Lack of laying proper groundwork – coordinated planning, infrastructure, land availability – has contributed to rural areas struggling to attract economic development.*

### **Solutions That Work**

- The continued economic health of our communities depends on sound planning for economic growth and continued employment opportunities for our citizens.
- Planning for local economic health is good, sound policy. How can a community ensure that its citizens and future citizens will have jobs, unless it plans for the retention and expansion of the existing local business base, and the recruitment of new businesses that are consistent with local needs? How can a community really understand future infrastructure demands or whether it has sound land use plans, unless it has thought about how its economy will develop? How can a community preserve its fiscal health without planning for its economic future?
- Effective planning for quality growth is an investment in the future of our communities. It helps communities lay the proper framework for the planning needed to attract sustainable economies.
- Increased economic activity resulting from coordinated planning will increase the tax base, providing additional tax revenues to state and local governments to provide the services our citizens desire.
- Further, growing economic regions that are attracting new jobs through their economic development efforts must also plan for sufficient housing nearby, in order to sustain the economic health of the region.
- Establishing performance measures to review progress towards accommodating growth will ensure appropriate measures are taken to achieve the goals for each community.

### **Enhancing Quality of Life** *Setting the Stage*

Local governments often set the tone for a community's success in attracting economic growth. By laying the proper groundwork—coordinating planning and permit review processes, providing infrastructure, ensuring land availability through zoning ordinances, implementing effective development regulations, providing information—a community can set the stage for successful efforts of working with the business community for job retention, expansion and recruitment.

### ***Effective Partnerships, Better Communities***

Further, communities should address perception barriers that have discouraged economic development in the past. Each community should work with businesses to determine the needs of the businesses the community hopes to attract. Private planners, real estate professionals and developers are resources local governments should utilize for marketing and purchasing properties for development.

Research shows that despite different approaches to managing growth across the country, some unifying axioms emerge:

- When government regulations, fees, and processes add unnecessary costs to development projects, building prices will rise unnecessarily.
- When land use policies and regulations result in constricted housing supply, prices will rise.
- When government policies withhold the capital investment infrastructures necessary to accommodate growth, the community at large will bear the costs in terms of traffic congestion, pollution, overcrowding, and generally diminished quality of life.
- Time consuming processes, inconsistent policies, costly and onerous permitting and development regulations will eventually stall an area's economic engine.

When these steps are avoided and communities plan for growth in a spirit of accommodation, economic growth may ensue and enhance a region's quality of life, environmental responsibility and community vitality.

*REALTORS® are taking the lead in developing policy proposals that reflect these concerns, and are offering a number of recommendations for preserving the environment for our children, ensuring economic vitality, providing housing opportunities, and building better communities with good schools and safe neighborhoods.*

### **Setting Goals. Planning for Success.** *Economic Vitality, Housing, and Land Use*

**Recommendation 1:** Review the Comprehensive Plan to ensure community needs and vision are appropriately addressed, goals set, quality growth planned for, and actions taken to meet the needs of a growing community.

**Strategy 1.1: Economic Development Element:** Economic development is necessary to provide job opportunities, expand economic opportunities, increase public revenues and enhance the quality of life. Through an economic strategy based on market analyses and feasibility studies that identify current inventory, resources and needs, a community can set the stage for sustainable economic growth by planning and implementing proper zoning and development regulations, and providing the incentives, infrastructure and amenities necessary to attract economic development. Economic growth drives both the demand for workers and the corresponding demand for housing. Without an economic development element, the community may fail to take into account a critical piece of planning for future growth, as well as an inability to plan for and attract increased economic opportunities for the community.

**Strategy 1.2: Housing Element:** Every job created in a community needs a place to go home at night. Planning for, and accommodating a balance of jobs and housing is a critical component of economic vitality. Increased population growth is necessary to support greater business investment, increased employment needs, and create the demand for business services. As prescribed by the Growth Management Act, the Housing Element must provide an inventory and analysis of existing and projected housing needs; housing targets to achieve needs; a statement of goals, policies, objectives and provisions for the preservation, improvement and development of housing to meet the needs of the community, and the demand brought on by growth and employment opportunities. Importantly, each community must plan

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for the availability of affordable housing choices, and the number of residential units necessary to accommodate projected growth.

**Strategy 1.3: Land Use Element:** Land use decisions should consider the vision of the economy, housing needs for the future, infrastructure necessary to accommodate growth, and plans for preserving the environment, while protecting property rights. Communities must plan for the land necessary for commercial development, and the number of residential units necessary to accommodate projected employment growth, as there must be a balance between jobs and housing necessary to meet the demands of a growing workforce. Without available and suitably located housing, it becomes difficult for companies to attract a qualified workforce. Therefore, policies must ensure a sufficient amount of buildable land capacity be available for development in a competitive market.

**Strategy 1.4: Performance Measures:** Comprehensive plans should include specified, definable goals. Benchmark indicators and performance measures should be established to gauge how each jurisdiction is achieving its goals and accommodating planned growth. Performance measures will provide a process to ensure accountability in planning through baseline indicators that track the achievement of desired goals. Review programs should annually collect information to determine the quantity of buildable land available for residential and commercial activities, and regular evaluation programs should determine what adjustments are necessary to accommodate projected growth.

## **Implementing Community Planning Goals**

### ***Zoning, Performance Standards, Coordination and Permits***

**Recommendation 2:** Complete a detailed review of the zoning code, development regulations and permitting process to ensure regulations implement the goals of the comprehensive plan.

**Strategy 2.1: Revise Zoning Codes to Increase Flexibility:** Adopting more flexible or less restrictive standards, such as: allowing planned unit developments, cluster developments, and mixed uses; permitting greater height and bulk developments (often combined with design standards); increasing allowable lot coverage; and, reducing lot sizes, setbacks, and street and parking standards can stimulate development while producing attractive, livable neighborhoods.

**Strategy 2.2: Adopt Performance Standards Which Emphasize Outcomes:** Specific setbacks, height limitations and similar standards do not take into account conditions which vary from site to site. Performance zoning/standards focus on directly controlling the impacts of a development.

**Strategy 2.3: Permit Adequate Densities to Ensure that Development is Feasible:** Increased density allowances can help off-set higher land costs and construction difficulties, making more attractive profits possible. Density bonuses and transfers can be used as incentives to encourage development in target growth areas.

**Strategy 2.4: Consolidate and Coordinate Development Review Process:** Measures to avoid unnecessary delay include: one-stop permitting process; simultaneous review of permits, administrative review and action on permits involving minor impacts; assigning a single staff

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contact to help an applicant throughout a project, or allow contracting out for review of applications; permitting more uses “by-right” (ensuring that a permit is issued, provided that specific, well-crafted standards are met, rather than rely on discretionary review by commissions); fast-track permit procedures applied within target development areas to increase the attractiveness of sites. Clearly stating what is and is not allowed will provide developers the certainty they need.

**Strategy 2.5: Reduce Permit Fees and Development Costs:** Local governments can enhance the relative attractiveness of development by adopting more appropriate level-of-service standards and lower development fees within designated areas.

**Strategy 2.6: Market-Based Planning:** A market-oriented approach to development regulation examines proposals based on their impacts on neighbors and potential for generating a nuisance, rather than the particular use of the property. Market-oriented planning re-tools the approval and re-zoning process to facilitate market trends while protecting the interests of neighbors and community residents. Rather than make detailed decisions about projects, the planning process provides a general framework for market adjustments and adjudicating disputes when conflicts arise among property owners. Market-based planning accommodates consumers as they respond to opportunities and choices made available through the market. This approach focuses on specific issues and consequences of development rather than general concerns about potential impacts of unknown projects.

**Strategy 2.7: By-Right Development:** Allow project proposals to be approved within certain time limits without discretionary review when the proposal does not exceed code, or does not have identifiable impacts on the community.

**Strategy 2.8: Over-Lay Zoning Districts:** Develop a zoning code that supercedes underlying regulations, allowing expedited review of development proposals when they achieve certain goals.

**Strategy 2.9: Mixed-Use Zoning:** Define zones broadly to accommodate more than one use, allowing communities to change and evolve to meet consumer demands.

**Strategy 2.10: Market-Determined Densities:** Allow consumers to determine appropriate densities through performance zoning that establishes standards for congestion, landscaping, open space and other design elements, but does not spell out how the standards must be met.

**Strategy 2.11: Focus Project Review on Impacts:** Ensure the negative impacts of development (noise, pollution, traffic, nuisance, or harm) on neighbors are mitigated through administrative review, while avoiding discretionary reviews by legislative bodies.

**Strategy 2.12: Limit Objections:** Project review should not control density, layout or aesthetics unless the project is located in a special district with a clear purpose, intent or identity.

**Strategy 2.13: Pre-Application Meetings:** Meetings with staff are effective ways to identify problems before significant resources have been invested in a project proposal. Modifications are more efficiently incorporated at the outset of the design process.

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**Strategy 2.14: Limit Standing in Public Hearings to Affected Parties:** Hearings should be used primarily to disclose tangible, measurable impacts (noise, pollution, traffic) so they can be addressed and mitigated in project approval.

**Strategy 2.15: Administrative Site-Plan Review:** Rely on technical expertise of planning staff, rather than legislative review. Legislative review is subject to politics, decisions are arbitrary, and the process is unpredictable.

**Strategy 2.16: One-Stop Permit Processing:** Planning departments should set up a one-stop shop for all development project permit applications to streamline the permit application and approval process.

**Strategy 2.17: Supermajority for Over-Riding Planning Commission Decisions:** Local governments should presume that planning board decisions and recommendations are fair and accurate. This will strengthen the process, build certainty, and avoid unnecessary steps and wasted time in the approval process.

### **Investing in Effective Infrastructure Strategies**

**Recommendation 3:** Prioritize Capital Facilities expenditures for strategic infrastructure investments that encourage quality housing and economic development opportunities and choices.

**Strategy 3.1: Adopt Infrastructure Strategies to Support Quality Development:** Infrastructure provides the backbone for a community's quality of life, and provides the framework for accommodating residential, commercial and industrial development. Local jurisdictions can set the stage for development by using a focused public investment strategy to direct growth to target areas by taking a more proactive role in providing infrastructure and shaping growth. Concurrency requirements, ensuring infrastructure is in place for development, should ensure adequate funding by prioritizing projects in the Capital Facilities Budget that would not meet the specified level-of-service.

**Strategy 3.2: Align Costs with Property Development:** Property owners and developers should bear the full costs of property development. Local communities should not be expected to subsidize development. Nor should new residents be expected to subsidize existing residents by paying fees in excess of their true costs.

**Strategy 3.3: Developer Payment for On-Site Infrastructure:** The developer should pay full cost of extending roads, water, sewer and other utilities to the property. The community should allow flexible design criteria for developers to determine the level and standards of infrastructure.

**Strategy 3.4: Full-Cost Pricing for Infrastructure:** The public sector should include all costs for service (operating, maintenance, capital, debt) of public utilities.

**Strategy 3.5: Public Planning for Infrastructure Needs:** The community should coordinate infrastructure investments with projected growth needs (special purpose districts should coordinate their plans for expansion, based on local growth plans).

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## Preserving the Environment

**Recommendation 4:** Provide developers with site-readiness through pre-permitting for development.

**Strategy 4.1: Conduct Detailed Environmental Analysis at the Outset:** An environmental analysis through a programmatic environmental impact statement could examine the cumulative impacts of potential projects within a subarea, greatly speeding up the permit review for projects within the area.

## Addressing Barriers

**Recommendation 5:** Address the perception barriers that have discouraged development in the past.

**Strategy 5.1: Implement a Public Relations Program:** Each community needs a public relations effort to improve negative perceptions. While some focus should be directed at the media and surrounding communities, the target audience should be targeted businesses the community hopes to attract, as well as private planners, real estate professionals and developers marketing and purchasing properties for development.

## Creating Communities that Attract People

**Recommendation 6:** Provide community amenities necessary to attract economic and residential growth, while encouraging neighborhood support for development.

**Strategy 6.1: Parks, Recreation, and Open Space Add to Community Support:** Each community should work with neighborhood organizations, citizens, and businesses to identify the types of public facilities and other amenities such as parks, trees, sidewalks and shared open spaces, that the community desires. When these amenities are provided in the community plans, citizens are more likely to support increased development opportunities in their neighborhood, and businesses are more likely to be attracted to the locations where people are likely to hang out.

## Working Together to Build Livable Communities

**Recommendation 7:** Promote cooperation to implement vision and achieve community goals.

**Strategy 7.1: Implement a Community Outreach Program:** Each community should continue to work with public officials, representatives from neighborhood organizations, and citizens to implement the strategies recommended, to work with businesses to determine the needs of the business the community hopes to attract, and real estate and development professionals to develop a public relations campaign to encourage community revitalization, improvement, and economic development to occur.

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## Defining New Creative Strategies for Funding

**Recommendation 8:** Assess financing and public funding (grant and loan programs) opportunities to determine feasibility of obtaining funding from outside sources.

**Strategy 8.1: Assist Developers with Obtaining Favorable Financing Terms:** Local jurisdictions have access to some state and federal funds or some other types of funds that are not directly available to private developers. Communities may be able to create partnerships with developers to accomplish economic development projects

## Enhancing Land Values and Development Options

**Recommendation 9:** Consider land bank opportunities for strategic economic investments.

**Strategy 9.1: Implement a Parcel Assembly Land Banking Program:** Assembling small, individual parcels into larger blocks under common ownership can greatly enhance development potential. Most large developers are used to working with parcels of 10 acres or more, making the development of relatively small parcels less attractive for such developers.

## Rethinking Public Facilities Strategies

**Recommendation 10:** Consolidate public facility sites, re-zone the available land for commercial use, and sell the property for commercial development.

**Strategy 10.1: Consolidate Public Facilities:** Substantial amounts of land is used for public facilities. Each community should review the current use of facilities, and determine which facilities could be consolidated. The newly surplus land should be re-zoned for commercial use, and the property should be sold to private developers for commercial development.