

# Executive Summary

Spring 2002

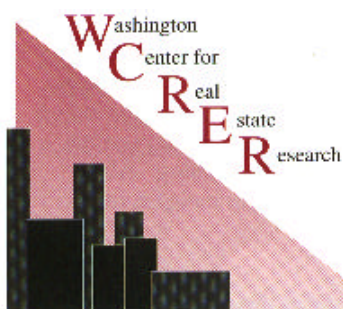
## Impacts of Washington's Growth Management Act on the Development Process: A Case Study of Six Counties

One of the legislatively-mandated functions of the Washington Center for Real Estate Research is to conduct studies on public policy issues of importance to the State's real estate industry. In April, 2000, when the Center's Board of Trustees was identifying the public policy issue for the next year, the Washington Association of Realtors asked the Trustees to consider a number of topics related to Washington's Growth Management Act, the national movement called Smart Growth and their emerging Quality of Life campaign. The consensus of the Board of Trustees was that an evaluation of the impacts of Washington's GMA ten years after its initial passage was most consistent with the mission of the Center and the industry's needs.

The original plan had been to conduct a statistical study, but the problems encountered by WSU Professor Marvin Wolverton on a similar study which was limited to Clark County indicated that approach would be too ambitious. The decision was made to use "qualitative" research techniques frequently employed in education research called "process tracing" to conduct detailed case studies in six Washington counties, selected to represent the wide range of communities required to plan under GMA, or voluntarily working within that framework. The six selected counties were:

- > Benton
- > Clallam
- > Clark
- > Grant
- > Snohomish
- > Walla Walla

Three elements were examined to trace the process of implementation for the Growth Management Act and its impacts. First, public records were examined, including both zoning codes and building permits. Second, public officials, principally in planning functions, were interviewed. Finally, builders/developers in those counties were interviewed for their perceptions. Those builders/developers were requested to provide Center personnel with access to or copies of the files for their projects – both before and after GMA was implemented locally, to provide independent verification. While WCREER assured participants those files would be treated with complete confidentiality, the documents were not provided in sufficient numbers to allow meaningful analysis.



## Public Records – Building Permits

In each city and unincorporated county area within the six counties analyzed, the Center tracked building permits for three years before the final implementation year, and if possible for three years after implementation. The object was to see whether forward building or permitting occurred in advance of GMA.

It was expected that building permit activity would decline in the first years after the local implementation of GMA if there was a depressing impact on real estate markets directly related to GMA. While the increases in building permit activity in the years immediately after implementation were quite rare, no pattern of declines was observed in any of the analysis counties. Since these implementations were staggered, and included even robust and sluggish markets, three-year moving averages were used for the analysis, but did not reveal any trends.

On reflection, it might have been advisable to track the subdivision, lot platting process. Anecdotal information suggests a flurry of applications to create lots in advance of final adoption of urban growth areas. This was often followed by a period of relative inactivity as these lots, which become grandfathered, were used to satisfy much of the demand for new homes. This can only be a short-term phenomenon, however. Once the supply of grandfathered lots is exhausted, the approval process must go through normal procedures. Distortions in terms of the short-term impacts of GMA may have been missed however.

## Public Records – Ordinances and Fees

Local jurisdictions, especially planning departments, provided information on their critical areas ordinance, zoning, resource areas, impact fees, and planning fees. Unfortunately, they were unable to provide comprehensive timelines of which ordinances were enacted at what date or what existed prior to the most recent charges. This means the report is not able to trace the governmental process in the way envisioned at the outset of the project.

The review of zoning changes indicates there is modest movement toward higher allowable densities, but the flexibility in regulations which was also emphasized does not guarantee higher densities will be achieved.

No clear pattern emerged with respect to resource lands even between urban and less urban areas, although there appears to be a developing consensus that residential development on 5-acre tracts can be characterized as “non-urban.”

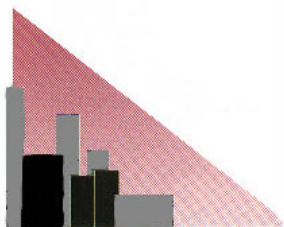
Critical areas were important in the initial ordinances adopted under GMA, and the inclusion of “best available science” requirements in the 2002 updates makes it even more important today. Even within a county there were often sharp differences in setbacks, etc. for the same class of property.

Impact fees were explicitly permitted under the Growth Management Act. Only two (Clark and Snohomish) of the six analysis counties have enacted impact fees. Fees were enacted for traffic, parks/recreation and schools. Impact fees in Clark County ranged from a potential low of \$3,042 to a high of \$6,021 per dwelling unit. In Snohomish County the range is \$2,856 to \$8,849. At the high end the impact fee might directly add 3.8 percent to the median home price in Clark County and 4.1 percent in Snohomish County – not an insignificant impact on housing affordability.

Permit fees were the final hard data requested from local government officials. Again it was difficult to monitor both the amount and timing of the changes. This problem was confounded with regulatory reform causing governments at all levels to revisit their regulations, and the pricing of services. Most communities admitted increasing permit fees to some extent. Some of those fees can be directly attributed to GMA provisions regarding critical areas ordinances. Each community’s fee schedule was so unique that the development of a uniform, comparative template was not reasonable.

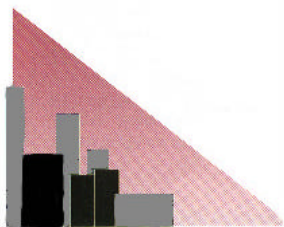
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... expected building permit activity would decline in the first years after implementation. ... no pattern of declines was observed

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... modest movement toward higher allowable densities ... but no guarantee densities will be achieved



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GMA has forced ...  
communities to address  
all aspects of growth,  
and has led to  
increased public  
participation in the  
planning process.  
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h h h h h h h h h h h  
implementation has  
been far short of the  
goal  
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## Planning Officials Interviews

In general, planning officials believe GMA has resulted in improved ability of their communities to accommodate growth and to effectively direct public services where they are and will be most needed. They believe the process provides adequate opportunity for public input in the decision making process. They express the belief that impact fees have been used judiciously, if at all, and that the levels of those fees have remained quite modest.

Planning officials in the less urban communities (Benton, Clallam, Grant, Walla Walla) indicated few concurrency problems, while planners in Clark and Snohomish counties indicated transportation concurrency, in particular, was a problem. In Snohomish County, there was additional concern that the individual communities are not working together to address the transportation concurrency problem.

Most planning officials suggested that permitting and general development streamlining was more related to regulatory reform (RRA) rather than GMA. All jurisdictions claimed they had successfully implemented the necessary revisions.

Rather than being able to track, hard data on timing of various approval or development activities prior and subsequent to implementation of GMA, the project was forced to rely on anecdotal and perceptual data. To some extent this reinforces the beliefs of groups which are often at odds. Public officials generally indicated that the time projects spend in review has declined in recent years. In some communities planners indicated there was no change in review timing.

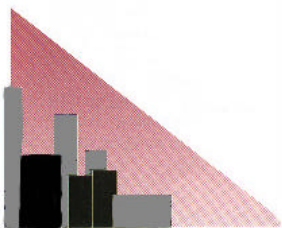
Planning officials ultimately felt that GMA has forced them and their communities to address all aspects of growth, and has led to increased public participation in the planning process. Moreover, they felt that the emphasis on coordinating planning has resulted in increased communication and cooperation among the various counties and municipalities. However, concerns were still expressed that the comprehensive planning model envisioned by GMA does not apply to less urban environments.

## Builder/Developer Interviews

The interviews with developers were remarkably consistent from community to community, indicating

- % Development under GMA is more costly, often because more environmental or scientific information is required.
- % Development under GMA takes longer. This does not mean the governmental review is less efficient – there are more activities required which are “off the clock.”
- % Fee increases are not blamed on GMA
- % Concurrency is an issue only in the most urban counties, and often predated GMA’s implementation, especially for transportation.
- % No streamlining of the development process has been achieved by GMA or RRA separately or jointly. Moreover, developers often felt the process has become less rather than more predictable.
- % Paperwork has increased significantly as jurisdictions comply with GMA requirements.
- % Coordination between cities and counties ranges from no significant impact (no improvement) to the belief they are working at cross purposes, with developers caught in the middle.
- % Many developers agree with objectives of GMA, but feel that implementation has been far short of the goal.

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