



## **Landscape Conservation and Local Infrastructure Program Update Legislation (HB 1243) Frequently Asked Questions**

### **Bill Highlights:**

- Builds on a voluntary, successful state program created in 2011 (RCW 39.108)
- Increases revenue generated for cities and counties by temporarily exempting new development revenue within limited areas in eligible cities from the 1% local property tax collection cap
- Expands the authorized uses of revenues to include affordable housing
- Reinforces inter-jurisdictional intent by clarifying program adoption requirements

### **Program Highlights:**

- Helps maintain private farms and forests through a tool called transfer of development rights
- Supports new development in cities
- Generates flexible revenues to build infrastructure such as sidewalks, parks, and stormwater facilities, as well as funds maintenance and operations
- Applies to eligible cities in King, Pierce and Snohomish Counties

### **What is the Landscape Conservation and Local Infrastructure Program?**

The Landscape Conservation and Local Infrastructure Program (LCLIP) offers eligible cities in the central Puget Sound metropolitan region a local financing tool to meet existing and future infrastructure needs in exchange for accepting development potential from working farms and forests. This voluntary, market-based tool incentivizes rural landowners, developers, counties, and cities to support growth management objectives.

Of the 35 cities eligible to participate in the program, 14 have conducted feasibility studies. The City of Seattle, the pioneering LCLIP adopter, has transferred development potential from over 100,000 acres of now-conserved farms and forests. It will generate \$30 million for infrastructure investments using the program.

### **What makes this program unique?**

This program recognizes that our rural and urban communities are intrinsically linked to each other. Our farms and forests provide our families with clean air and water, fresh produce, and places to recreate. Our urban cities provide economic centers that house people and jobs. Both are essential components of Washington's economy and high quality of life. If we want to provide future generations with options, both our urban and rural communities must flourish. LCLIP is the only program of its kind in the United States.

### **Why do we need to amend this program?**

The central Puget Sound metro region is expecting another 1.8 million residents over the next 30 years. Working farms and forests in Pierce, Snohomish, and King Counties are facing the most growth pressure, while cities are struggling to provide the infrastructure to revitalize communities and attract new jobs. Counties and cities need the tools and funding that LCLIP provides to support growth near jobs and services and to reduce conversion pressure on these farms and forests.

LCLIP is a proven option for supporting these goals. We want to increase its potential to support them further. Cities have told us the two incentives that would get them to use the program are:

- Increase the program's value proposition, which will allow them to invest in more public improvements
- Expand eligible expenditures to include one of cities' most pressing needs: affordable housing units

**What will this program cost the state?**

The program was carefully crafted to have negligible fiscal impact to the state.

**Which communities are eligible to use this financing tool at this time?**

Incorporated cities with a population + employment of 22,500 or greater in King, Pierce or Snohomish Counties are eligible. Each county has an established transfer of development right (TDR) program in place. Transfers of development rights between these counties is allowed and facilitated under existing state law (RCW 39.108, RCW 43.362).

**How do cities get involved? Do all cities have to participate?**

The program is completely voluntary for all parties. Cities wishing to utilize the program adopt a redevelopment plan for one or more districts that specifies the public improvements and their estimated cost. The plan also estimates the number of transferable development rights to be used in the district. After holding a public hearing, the city may then adopt a resolution or ordinance to create a redevelopment district(s).

**What can cities currently pay for with LCLIP-generated revenue?**

LCLIP is designed to give cities flexibility to best meet their needs. Cities may use revenues to fund improvements within redevelopment districts to streets; bridges; rail; water and sewer systems; sidewalks; streetscaping; parking, terminal and dock facilities; parks; recreational areas; environmental remediation; storm water; and utilities. Eligible expenditures include maintenance and security for public areas, historic preservation, and improvements that support affordable housing.

**What benefits do counties get?**

Counties realize benefits from LCLIP beyond the market-based conservation of farms and forests. By incentivizing growth in cities, LCLIP supports countywide comprehensive plans. With less growth pressure in rural areas, counties save on the costs of expanding services and infrastructure like roads and fire protection. Additionally, conserved lands help to reduce environmental risks like flooding.

**What is transfer of development rights (TDR)?**

Transfer of Development Rights (TDR) is a market-based land use tool that promotes responsible growth and assists in the conservation of agricultural and forest lands. TDR is fair and voluntary for both landowners and developers. Through individual, voluntary transactions, development rights—a private real estate asset representing the development potential (and value) of property—are transferred from privately owned farmland, forestland, and natural areas to places that can accommodate additional growth. Landowners sell the development rights at market rates, while developers gain added density or other value.

