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LAND FOR GOOD

Talking Points for the Landscape Conservation and Local Infrastructure Program Update Legislation (HB 1243)

What is the Landscape Conservation and Local Infrastructure Program (LCLIP)?

- This program offers eligible cities in Pierce, King, and Snohomish Counties a flexible new source of revenue to pay for infrastructure in exchange for accepting development potential from farms, forests and natural lands.
- This completely voluntary, market-based tool incentivizes rural landowners, developers, counties, and cities to support growth management objectives.

Why do we need LCLIP?

- The region is forecast to grow by 1.8 million people over the next 30 years.
- LCLIP recognizes that rural and urban communities are intrinsically linked.
- LCLIP conserves our farms and forests that provide clean air and water, fresh produce, and places to recreate.
- LCLIP gives cities more flexibility to invest in public improvements that support this growth.
- If we want to provide future generations with options, both our urban and rural communities must flourish.

What has LCLIP accomplished?

- The City of Seattle, the pioneering LCLIP adopter, has transferred development potential from over 100,000 acres of now-conserved farms and forests since 2013. The program will generate tens of millions of dollars for infrastructure investments.

Why do we need to amend this program?

- LCLIP is a proven option for supporting growth management 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
- The central Puget Sound metro region is expecting another 1.8 million residents by 2050.
- Counties and cities need the tools and funding that LCLIP provides to support growth near jobs and services and to reduce conversion pressure on farms and forests.

Why now?

- COVID-19 has ravaged the reserves of many cities and now is the time to give them more proven tools to expand their infrastructure and affordable housing funding.
- Certain elements of LCLIP were omitted from the original 2011 legislation.
- It was always the intent to revisit these components.

- Now that we've had ten years to see what has worked and where opportunities for improvement exist, we're updating the program to help it achieve the original intent of landscape scale conservation and investment in cities around growth.

What are the proposed changes?

HB 1243 would make four changes to the existing statute:

1. Increase revenues for cities and counties
 - a. What does this do? Temporarily exempts new construction within limited areas in eligible cities from the 1% local property tax collection cap.
 - b. Why is it important? Cities need flexible funding sources for infrastructure investments and this change will better serve local needs.
2. Make affordable housing an eligible use of program revenue
 - a. What does this do? Expands the authorized uses of revenues to include affordable housing, provided either by cities or by nonprofits or housing authorities.
 - b. Why is it important? Fast-growing cities need affordable housing as well as infrastructure. This change increases the flexibility of the tool and addresses multiple community needs.
3. Require cities to adopt the Commerce Rule
 - a. What does this do? Requires cities adopt a common, existing legal framework for TDR. Counties may still use interlocal agreements with cities if they prefer.
 - b. Why is it important? Makes LCLIP more efficient and reinforces its regional scope.
4. Clarify the source of the revenue
 - a. What does this do? Specifies that shared revenue from counties must come from the general fund.
 - b. Why is it important? This measure ensures that junior taxing districts aren't repurposed.

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?

- 35 cities with a population + employment of 22,500 or greater in King, Pierce or Snohomish

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

- The program is completely voluntary for all parties.
- Cities 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), referred to in the statute as a Local Infrastructure Project Area (LIPA).

What benefits do counties get?

- Counties benefit from market-based conservation of farms and forests.
- LCLIP supports countywide comprehensive plans.
- Counties save on the costs of expanding services and infrastructure like roads and fire protection. Conserved lands help to reduce environmental risks like flooding.