



Updates on Housing Legislation in Olympia As of March 10, 2024

SUPPLEMENTAL BUDGET

- **Upper Valley MEND**, Leavenworth affordable workforce rental housing: \$1.3 million
- **Common Ground**, Craig Cottages in Wenatchee, \$248,000

HOUSE BILLS

- **HB 1245 — Lot Splitting**
 - **Status:** Died
 - **Description:** [HB 1245](#) would allow homeowners to split their lots into two smaller parcels. Each piece can't be less than 1,500 square feet and can't be less than 40 percent of the size of the original lot. For tenant protection, the bill prohibits lot splits that would involve demolition of any housing that is rent-restricted or rent-subsidized, or that has been occupied by a tenant paying market-rate rent within the preceding 12 months. In 2023, a similar bill passed the House 94–2 but then died in committee in the Senate.
- **HB 1468 — Ease Impact Fee Deferrals**
 - **Status:** Died.
 - **Description:** [HB 1468](#) would reduce red tape by repealing the state requirement for home builders to grant local governments a lien on a newly built home in order to be allowed to defer their payment of impact fees assessed on the home until after construction is completed.
- **HB 1892 — Workforce Housing Accelerator Program**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor's signature.
 - **Description:** [HB 1892](#) establishes a program that makes low-interest loans available to for-profit developers (for the first time), nonprofit developers, public housing authorities, and public development authorities. Housing must serve low-income households, defined as those with an income of 50 to 80 percent of the median family income in each county.
- **HB 1987 — Workforce Housing Clarification for .09 Dollars**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor's signature.
 - **Description:** [HB 1987](#) allows rural county sales tax dollars (.09 funds) to be used for land purchases and by non-profits to construct workforce housing.

- **HB 1998 — Co-Living Homes**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 1998](#) requires cities and counties to allow co-living homes (aka micro-apartments, single-room occupancy, congregate housing) everywhere within urban growth areas.

- **HB 2003 — Housing on DNR Lands**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 2003](#) allows developers to lease lands owned by the state Department of Natural Resources and to receive a tax exemption if affordable housing units are built. DNR owns over 7,000 acres of “transition land” that can’t be logged due to proximity to existing developments.

- **HB 2012 — Property Tax Exemptions for Nonprofits**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 2012](#) allows voter-approved levy lid lifts, and certain city and county funds as qualifying funding sources for the nonprofit housing property tax exemption.

- **HB 2071 — Residential Housing Regulations**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 2071](#) changes the building code to allow for more home types and to reduce the minimum space for studio apartments. The bill allows 6-plexes and below to be built to international residential code. This makes multiplex construction less costly because residential code is cheaper and easier to meet than commercial code.

- **HB 2113 — Compliance of Housing Elements Under the GMA**
 - **Status:** Died.
 - **Description:** [HB 2113](#) would grant the state Department of Commerce authority to approve or reject the city and county housing plans required under the GMA, based on whether the plans adequately address the full spectrum of housing needs. It would also create a system of accountability for jurisdictions with plans out of compliance, requiring them to automatically permit the construction of any new housing proposal that includes a specified minimum portion of homes affordable to lower-income residents.

- **HB 2114 — Rent Stabilization**
 - **Status:** Died.
 - **Description:** [HB 2114](#) would improve housing stability for renters by limiting rent and fee increases to 7 percent annually for existing renters, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated 6 services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement. The limits on rent would be “reset” after a tenant moved out, after which a landlord could set the rent at whatever rate they wanted. It also exempts new construction from the limit for 10 years and would limit late fees to 1.5% of a tenant’s monthly total rent.

- **HB 2160 — Transit-Oriented Development**
 - **Status:** Died.

- **Description:** [HB 2160](#) would legalize four- to five-story apartment buildings within a half-mile of rail stations, and three- to four-story multifamily housing within a quarter-mile of rapid transit stops. The bill requires housing built in these areas to set aside 10 percent of units as affordable to households earning 60 percent of area median income. It also would limit the ability of cities planning under the GMA from requiring off-street parking as a condition of permitting housing or mixed-use development within a station area.

- **HB 2219 — Exempts Housing by Nonprofits from Taxes**
 - **Status:** Died.
 - **Description:** [HB 2219](#) would authorize cities to establish a sales and use tax exemption for the construction and maintenance of affordable housing by nonprofits.

- **HB 2252 — Allows Neighborhood Cafes in Residential Areas**
 - **Status:** Died.
 - **Description:** [HB 2252](#) would allow non-drive-through neighborhood cafes to establish in residential areas, with limited menus and hours of operation.

- **HB 2276 and SB 6191 — Affordable and Workforce Housing Supply**
 - **Status:** Died.
 - **Description:** [HB 2276](#) and its Senate companion [SB 6191](#) would impose a new real estate excise tax (REET) of an extra 1 percent on property sales over \$3.025 million and directs the revenue to the Washington Housing Trust Fund and other affordability programs. It also would lower the REET from 1.28 percent to 1.1 percent on sales from \$525,000 to \$750,000.

- **HB 2321 — Modifying Middle Housing Requirements**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 2321](#) requires cities with a population of 25,000 to 75,000 to allow at least two units on all residential lots, at least four units on all residential lots within 0.25 miles walking distance of a major transit stop, and at least four units if one unit is affordable housing. A city with at least 25,000 population must allow at least six of the nine types of middle housing (duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing). A city with less than 25,000 population may choose the number of types of middle housing.

- **HB 2353 — Authorizing Multifamily Property Tax Exemption for All Counties**
 - **Status:** Died.
 - **Description:** [HB 2353](#) would have removed the existing restrictions and opens up eligibility to all counties. The Washington State Association of Counties testified in support of the bill because it will expand MFTE eligibility and that all strategies need to be looked at for the housing crisis. The nonprofit, Futurewise, signed in opposition to the bill due to limiting factors, such as transit and transportation services.

- **HB 2375 — ADUs Property Tax Exemption for Seniors and the Disabled**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.

- **Description:** [HB 2375](#) adds detached accessory dwelling units (ADUs) to properties that qualify for the senior citizen and disabled person property tax exemption. (Co-sponsored by state Rep. Keith Goehner)
- **HB 2425 — Increase Funding for Rental Assistance**
 - **Status:** Died.
 - **Description:** [HB 2425](#) would authorize cities to assess an additional 0.5 percent tax on residential construction to fund rental assistance for low-income households.
- **HB 2474 — Compliance of Transitional and Permanent Supportive Housing**
 - **Status:** Died.
 - **Description:** [HB 2474](#) would require cities to vet with the state Department of Commerce proposals for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters. It would prohibit cities from denying a permit application if Commerce approves the proposal. This bill was created due to severe challenges with siting transitional and permanent supportive housing projects as some cities have stopped such projects.
- **HB 5834 — Allows Adjustments to the Urban Growth Boundary**
 - **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
 - **Description:** [HB 5834](#) authorizes counties to revise their urban growth areas (UGA) as long as the revisions do not increase the net acreage of the UGA.

SENATE BILLS

- **SB 5334 — Excise Tax on Short-Term Rentals**
 - **Status:** Died.
 - **Description:** [SB 5354](#) would allow cities and counties to impose an excise tax up to 10% on short-term rentals to fund affordable housing projects, both rentals and home ownership. There are no AMI caps on how these funds can be used.
- **SB 5965 — Fund Social Housing**
 - **Status:** Died.
 - **Description:** [SB 5965](#) would expand the scope of affordable housing eligible for state funding, including the Housing Trust Fund, to include social housing. Social housing means housing on land owned in perpetuity by a public housing or development authority, the state, or other political subdivision that is available to households earning up to 80 percent or 120 percent of area median income.
- **SB 6029 and HB 2126 — Detached Accessory Dwelling Units Outside UGA**
 - **Status:** Died.
 - **Description:** [SB 6029](#) and its companion [HB 2126](#), would allow counties planning under the Growth Management Act to allow detached accessory dwelling units (ADUs) outside of the urban growth area if certain development regulations are met. Futurewise was opposed to the bills, saying they would allow for second homes (ADUs) to be built in rural areas and amidst

farmlands, which in turn would siphon off limited water resources and contribute to runoff and habitat loss.

▪ **SB 6120 — Wildland Urban Interface Fix**

- **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
- **Description:** [SB 6120](#) is a “fix” to previous legislation and would make changes to the Wildland Urban Interface Code. The previous bill required completion of a statewide map of the wildland urban interface areas. The resulting map was overapplied and would have required fire safety building code measures in many unintended areas of the state, not just those at highest risk of wildfire. This bill requires a revised map of areas at greatest risk of wildland fire, instead of the wildland urban interface (which applies much more broadly). The bill also allows counties, cities, and towns to complete their own map of areas at greatest risk of wildfire in applying these fire safety codes, so long as substantially similar criteria is applied. Counties, cities, and towns issuing commercial and residential building permits in areas identified as high risk or very high risk on the map must only apply the fire safety code considerations in these areas. The bill also clarifies that the State Building Code Council may not adopt more restrictive fire safety requirements than what is included in statute.

▪ **SB 6136 — B&O Tax and Affordable Housing**

- **Status:** Died.
- **Description:** [SB 6136](#) would make landlords who provide their property to rent subject to the B&O tax. The tax is equivalent to gross proceeds from rent multiplied by either 1.5 or 1.75 percent for taxable proceeds at or exceeding \$1 million in the prior year. The bill would deposit tax revenues into the Home Security Fund to support the Eviction Prevention Rental Assistance Program.

▪ **SB 6152 — Monitor Housing Needs in Each County**

- **Status:** Died.
- **Description:** [SB 6152](#) would require the Washington Center for Real Estate Research to report on each county’s housing needs and prioritize public works grants to encourage infill development or affordable housing

▪ **SB 6173 — Affordable Homeownership Unit Development**

- **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
- **Description:** [SB 6173](#) authorizes cities to use revenue from sales and use taxes to fund the construction of housing intended for owner occupancy that’s affordable to households earning up to 80 percent of the area median income.

▪ **SB 6291 — State Building Code Council**

- **Status:** Passed the House. Passed the Senate. Awaiting the Governor’s signature.
- **Description:** [SB 6291](#) establishes criteria for amendments to the state building code concerning timelines, adoption cycle flexibility, council member selection, technical advisory groups, and energy code consulting.

— Bill updates compiled by [Our Valley Our Future](#)