

SENATE BILL REPORT

SB 5587

As of February 6, 2025

Title: An act relating to affordable housing development in counties not closing the gap between estimated existing housing units within the county and existing housing needs.

Brief Description: Concerning affordable housing development in counties not closing the gap between estimated existing housing units within the county and existing housing needs.

Sponsors: Senators Cleveland, Nobles and Orwall.

Brief History:

Committee Activity: Housing: 2/07/25.

Brief Summary of Bill

- Requires the biennial housing report from the Washington Center for Real Estate Research to include an analysis of estimated existing housing units and needs, as well as county progress in meeting certain housing goals.
- Prohibits a county or city in that county from denying an affordable housing development if a gap between estimated existing housing units and existing housing needs is found to not have decreased from the preceding year, unless certain conditions apply.
- Adds infill development or any other increase in affordable housing as a prioritization factor for the Public Works Board.

SENATE COMMITTEE ON HOUSING

Staff: Benjamin Omdal (786-7442)

Background: Washington Center for Real Estate Research. The Washington Center for

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Real Estate Research (WCRER) is responsible for publishing biennial reports that include housing supply and affordability metrics for each fully planning city with a population of 10,000 or more.

The Legislature required the October 2024 report, and every biennial report thereafter, to include:

- criteria relating to income, employment, housing and rental prices, housing affordability by housing tenure, and other metrics relevant to assessing housing supply and affordability for all income segments;
- city-specific median income data for cities implementing the multifamily tax exemption program;
- analysis of the private rental housing market for each area outlining the number of units, vacancy rates, and rents by unit type, where possible;
- data from the Washington State Housing Finance Commission on subsidized housing in the area;
- data relating to actions taken to increase urban residential building capacity, as well as detailed information on development regulations, levies and fees, and zoning related to housing development; and
- data relating to buildable lands reports and updates to comprehensive plans.

Public Works Board. The Public Works Board is responsible for developing a process to prioritize applications and funding of loans and grants for public works projects submitted by local governments. Applications for funding may be prioritized based upon several factors, including whether the project meets certain objectives, including whether the project is critical in nature and would affect the health and safety of many people.

Summary of Bill: The Washington Center for Real Estate Research Report. In addition to existing report requirements, the report completed by October 15, 2026, and every biennial report thereafter, must include:

- an analysis of the estimated housing units and existing housing needs within each county at particular income levels;
- each county's progress in closing the gap between estimated existing housing units within the county and existing housing needs; and
- each county's progress in meeting emergency housing, emergency shelters, and permanent supportive housing needs with the county.

The income levels of the analysis are as follows:

- 0 to 30 percent of the area median income (AMI);
- 30 to 50 percent AMI;
- 50 to 80 percent AMI;
- 80 to 100 percent AMI;
- 100 to 120 percent AMI; and
- greater than 120 percent AMI.

Affordable Housing Development Approval. If the WCRER report finds that a county's gap between estimated existing housing units and existing housing needs has not decreased from the preceding year, the county, or any city within the county, may not deny an affordable housing development or approve an affordable housing development with conditions that have a substantial adverse impact on the development's viability or affordability unless certain conditions are met.

Of the following conditions, at least one must be met:

- denial or approval with conditions that have a substantial adverse impact on the viability or affordability is required in order to comply with specific state or federal law;
- the development is located outside an urban growth area, in a critical area, in a critical area buffer, or in an area where residential uses are not allowed by the applicable shoreline master program; or
- the development is located in an area where neither the local jurisdiction's comprehensive plan nor zoning ordinance permits residential or mixed uses.

The county or city must require the developer of an affordable housing development to include legally binding, enforceable restrictions on the development, recorded as a covenant or deed restriction, to ensure that the measures of affordability are met for a minimum 25-year period. The county or city must periodically audit compliance with the restrictions or provide another mechanism to ensure that the units committed to affordable housing meet the measures of affordability during the agreed term.

Permits for affordable housing development must be given priority by the city or county and processed prior to any other permit applications.

An affordable housing development is defined as a residential housing development where the developer has agreed to include legally binding, enforceable restrictions on the development, recorded as a covenant or deed restriction, to ensure that for at least 25-years:

- at least 20 percent of the units are for rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is at or below 80 percent of the AMI; and
- all remaining units are for rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is more than 80 percent but is at or below 115 percent of the AMI.

Public Works Board. An additional factor is added to the list of factors that the Public Works Board (Board) may consider when prioritizing projects. The Board may consider whether the project encourages infill development or any other increase in affordable housing units in counties identified by the WCRER report as having a gap between estimated existing housing units and existing housing needs that has not decreased from the preceding year.

Appropriation: None.

Fiscal Note: Requested on February 3, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.