
SENATE BILL 5587

State of Washington

69th Legislature

2025 Regular Session

By Senators Cleveland, Nobles, and Orwall

Read first time 01/30/25. Referred to Committee on Housing.

1 AN ACT Relating to affordable housing development in counties not
2 closing the gap between estimated existing housing units within the
3 county and existing housing needs; amending RCW 36.70A.610 and
4 43.155.070; adding a new section to chapter 36.70A RCW; and creating
5 a new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 36.70A.610 and 2020 c 173 s 6 are each amended to
8 read as follows:

9 (1) The Washington center for real estate research at the
10 University of Washington shall produce a series of reports as
11 described in this section that compiles housing supply and
12 affordability metrics for each city planning under RCW 36.70A.040
13 with a population of (~~ten thousand~~) 10,000 or more.

14 (a) The initial report, completed by October 15, 2020, must be a
15 compilation of objective criteria relating to income, employment,
16 housing and rental prices, housing affordability by housing tenure,
17 and other metrics relevant to assessing housing supply and
18 affordability for all income segments, including the percentage of
19 cost-burdened households of each jurisdiction. This report may also
20 include city-specific median income data for those cities

1 implementing the multifamily tax exemption program under chapter
2 84.14 RCW.

3 (b) The report completed by October 15, 2021, must include an
4 analysis of the private rental housing market for each area outlining
5 the number of units, vacancy rates, and rents by unit type, where
6 possible. This analysis should separate market rate multifamily
7 rental housing developments and other smaller scale market rate
8 rental housing. This analysis should also incorporate data from the
9 Washington state housing finance commission on subsidized rental
10 housing in the area consistent with the first report under this
11 subsection.

12 (c) The report completed by October 15, 2022, must also include
13 data relating to actions taken by cities under chapter 348, Laws of
14 2019 as well as detailed information on development regulations,
15 levies and fees, and zoning related to housing development.

16 (d) The report completed by October 15, 2024, and every two years
17 thereafter, must also include relevant data relating to buildable
18 lands reports prepared under RCW 36.70A.215, where applicable, and
19 updates to comprehensive plans under this chapter.

20 (e) The report completed by October 15, 2026, and every two years
21 thereafter, must also include:

22 (i) An analysis of the estimated existing housing units and
23 existing housing needs within each county at the following income
24 levels: 0 to 30 percent of the area median income, 30 to 50 percent
25 of the area median income, 50 to 80 percent of the area median
26 income, 80 to 100 percent of the area median income, 100 to 120
27 percent of the area median income, and greater than 120 percent of
28 the area median income;

29 (ii) Each county's progress in closing the gap between estimated
30 existing housing units within the county and existing housing needs;
31 and

32 (iii) Each county's progress in meeting emergency housing,
33 emergency shelters, and permanent supportive housing needs within the
34 county.

35 (2) The Washington center for real estate research shall
36 collaborate with the Washington housing finance commission and the
37 office of financial management to develop the metrics compiled in the
38 series of reports under this section.

1 (3) The series of reports under this section must be submitted,
2 consistent with RCW 43.01.036, to the standing committees of the
3 legislature with jurisdiction over housing issues and this chapter.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
5 RCW to read as follows:

6 (1) If the report produced under RCW 36.70A.610 finds that a
7 county's gap between estimated existing housing units and existing
8 housing needs has not decreased from the preceding year, the county,
9 or any city within the county may not deny an affordable housing
10 development, or approve an affordable housing development with
11 conditions or restrictions that have a substantial adverse impact on
12 the viability of the development or the degree of affordability of
13 the development unless at least one of the following conditions is
14 met:

15 (a) The denial of the affordable housing development, or the
16 approval of the affordable housing development with conditions or
17 restrictions that have a substantial adverse impact on the viability
18 of the development or the degree of affordability of the development,
19 is required in order to comply with specific state or federal law;

20 (b) The affordable housing development or proposed development
21 site is located outside an urban growth area, in a critical area, in
22 a critical area buffer, or in an area where residential uses are not
23 allowed by the applicable shoreline master program; or

24 (c) The affordable housing development or proposed development
25 site is located in an area where neither the local jurisdiction's
26 comprehensive plan nor zoning ordinance permits residential or mixed
27 uses.

28 (2) The county or city must require the developer of an
29 affordable housing development to include legally binding,
30 enforceable restrictions on the development, recorded as a covenant
31 or deed restriction, to ensure that the measures of affordability
32 described in subsection (5) of this section are met for a minimum 25-
33 year period. The county or city must periodically audit compliance
34 with the restrictions or provide another mechanism to ensure that the
35 units committed to affordable housing meet the measures of
36 affordability described in subsection (5) of this section during the
37 agreed term.

1 (3) Permits for affordable housing development under this section
2 must be given priority by the city or county and processed prior to
3 any other permit applications.

4 (4) A county or city subject to the requirements of this section
5 is eligible to receive funds under chapter 43.155 RCW to defray
6 infrastructure and clean water costs related to infill development
7 and any other increase in affordable housing units.

8 (5) For the purpose of this section "affordable housing
9 development" or "affordable housing" means a residential housing
10 development where the developer has agreed to include legally
11 binding, enforceable restrictions on the development, recorded as a
12 covenant or deed restriction, to ensure that for at least 25 years:

13 (a) At least 20 percent of the units are for rental housing with
14 monthly costs that do not exceed 30 percent of the monthly income of
15 a household whose income is at or below 80 percent of the median
16 household income adjusted for household size, for the county where
17 the household is located, as reported by the United States department
18 of housing and urban development; and

19 (b) All remaining units are for rental housing with monthly costs
20 that do not exceed 30 percent of the monthly income of a household
21 whose income is more than 80 percent but is at or below 115 percent
22 of the median household income adjusted for household size, for the
23 county where the household is located, as reported by the United
24 States department of housing and urban development.

25 **Sec. 3.** RCW 43.155.070 and 2021 c 65 s 49 are each amended to
26 read as follows:

27 (1) To qualify for financial assistance under this chapter the
28 board must determine that a local government meets all of the
29 following conditions:

30 (a) The city or county must be imposing a tax under chapter 82.46
31 RCW at a rate of at least one-quarter of one percent;

32 (b) The local government must have developed a capital facility
33 plan; and

34 (c) The local government must be using all local revenue sources
35 which are reasonably available for funding public works, taking into
36 consideration local employment and economic factors.

37 (2) Except where necessary to address a public health need or
38 substantial environmental degradation, a county, city, or town
39 planning under RCW 36.70A.040 may not receive financial assistance

1 under this chapter unless it has adopted a comprehensive plan,
2 including a capital facilities plan element, and development
3 regulations as required by RCW 36.70A.040. This subsection does not
4 require any county, city, or town planning under RCW 36.70A.040 to
5 adopt a comprehensive plan or development regulations before
6 requesting or receiving financial assistance under this chapter if
7 such request is made before the expiration of the time periods
8 specified in RCW 36.70A.040. A county, city, or town planning under
9 RCW 36.70A.040 that has not adopted a comprehensive plan and
10 development regulations within the time periods specified in RCW
11 36.70A.040 may apply for and receive financial assistance under this
12 chapter if the comprehensive plan and development regulations are
13 adopted as required by RCW 36.70A.040 before executing a contractual
14 agreement for financial assistance with the board.

15 (3) In considering awarding financial assistance for public
16 facilities to special districts requesting funding for a proposed
17 facility located in a county, city, or town planning under RCW
18 36.70A.040, the board must consider whether the county, city, or town
19 planning under RCW 36.70A.040 in whose planning jurisdiction the
20 proposed facility is located has adopted a comprehensive plan and
21 development regulations as required by RCW 36.70A.040.

22 (4) (a) The board must develop a process to prioritize
23 applications and funding of loans and grants for public works
24 projects submitted by local governments. The board must consider, at
25 a minimum and in any order, the following factors in prioritizing
26 projects:

27 (i) Whether the project is critical in nature and would affect
28 the health and safety of many people;

29 (ii) The extent to which the project leverages other funds;

30 (iii) The extent to which the project is ready to proceed to
31 construction;

32 (iv) Whether the project is located in an area of high
33 unemployment, compared to the average state unemployment;

34 (v) Whether the project promotes the sustainable use of resources
35 and environmental quality, as applicable;

36 (vi) Whether the project consolidates or regionalizes systems;

37 (vii) Whether the project encourages economic development through
38 mixed-use and mixed income development consistent with chapter 36.70A
39 RCW;

1 (viii) Whether the project encourages infill development or any
2 other increase in affordable housing in counties subject to the
3 requirements of section 2 of this act. For purposes of this
4 subsection (4)(a)(viii), "affordable housing" has the same meaning as
5 in section 2(5) of this act;

6 ~~(ix)~~ Whether the system is being well-managed in the present and
7 for long-term sustainability;

8 ~~((ix))~~ (x) Achieving equitable distribution of funds by
9 geography and population;

10 ~~((x))~~ (xi) The extent to which the project meets the following
11 state policy objectives:

12 (A) Efficient use of state resources;

13 (B) Preservation and enhancement of health and safety;

14 (C) Abatement of pollution and protection of the environment;

15 (D) Creation of new, family-wage jobs, and avoidance of shifting
16 existing jobs from one Washington state community to another;

17 (E) Fostering economic development consistent with chapter 36.70A
18 RCW;

19 (F) Efficiency in delivery of goods and services and
20 transportation; and

21 (G) Reduction of the overall cost of public infrastructure;

22 ~~((xi))~~ (xii) Whether the applicant sought or is seeking funding
23 for the project from other sources; and

24 ~~((xii))~~ (xiii) Other criteria that the board considers
25 necessary to achieve the purposes of this chapter.

26 (b) Before September 1, 2018, and each year thereafter, the board
27 must develop and submit a report regarding the construction loans and
28 grants to the office of financial management and appropriate fiscal
29 committees of the senate and house of representatives. The report
30 must include:

31 (i) The total number of applications and amount of funding
32 requested for public works projects;

33 (ii) A list and description of projects approved in the preceding
34 fiscal year with project scores against the board's prioritization
35 criteria;

36 (iii) The total amount of loan and grants disbursements made from
37 the public works assistance account in the preceding fiscal year;

38 (iv) The total amount of loan repayments in the preceding fiscal
39 year for outstanding loans from the public works assistance account;

1 (v) The total amount of loan repayments due for outstanding loans
2 for each fiscal year over the following (~~ten~~) 10-year period; and

3 (vi) The total amount of funds obligated and timing of when the
4 funds were obligated in the preceding fiscal year.

5 (c) The maximum amount of funding that the board may provide for
6 any jurisdiction is (~~ten million dollars~~) \$10,000,000 per biennium.

7 (5) Existing debt or financial obligations of local governments
8 may not be refinanced under this chapter. Each local government
9 applicant must provide documentation of attempts to secure additional
10 local or other sources of funding for each public works project for
11 which financial assistance is sought under this chapter.

12 (6) Before September 1st of each year, the board must develop and
13 submit to the appropriate fiscal committees of the senate and house
14 of representatives a description of the loans and grants made under
15 RCW 43.155.065 and 43.155.068.

16 (7) The board may not sign contracts or otherwise financially
17 obligate funds from the public works assistance account before the
18 legislature has appropriated funds to the board for the purpose of
19 funding public works projects under this chapter.

20 (8) To qualify for loans, grants, or pledges for solid waste or
21 recycling facilities under this chapter, a city or county must
22 demonstrate that the solid waste or recycling facility is consistent
23 with and necessary to implement the comprehensive solid waste
24 management plan adopted by the city or county under chapter 70A.205
25 RCW.

26 (9) After January 1, 2010, any project designed to address the
27 effects of stormwater or wastewater on Puget Sound may be funded
28 under this section only if the project is not in conflict with the
29 action agenda developed by the Puget Sound partnership under RCW
30 90.71.310.

31 (10) For projects involving repair, replacement, or improvement
32 of a wastewater treatment plant or other public works facility for
33 which an investment grade efficiency audit is reasonably obtainable,
34 the public works board must require as a contract condition that the
35 project sponsor undertake an investment grade efficiency audit. The
36 project sponsor may finance the costs of the audit as part of its
37 public works assistance account program loan or grant.

38 (11) The board must implement policies and procedures designed to
39 maximize local government consideration of other funds to finance
40 local infrastructure.

1 NEW SECTION. **Sec. 4.** This act may be known and cited as the
2 affordable housing action act.

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