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**SENATE BILL 5885**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Senators Riccelli, Alvarado, Bateman, Frame, Nobles, Saldaña, Shewmake, Slatter, and C. Wilson

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1 AN ACT Relating to expanding opportunities for affordable housing  
2 developments on properties owned by religious organizations; and  
3 amending RCW 35.63.280, 35A.63.300, 36.70A.545, and 82.59.010.

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

5 **Sec. 1.** RCW 35.63.280 and 2019 c 218 s 1 are each amended to  
6 read as follows:

7 (1) A city planning under this chapter must allow an increased  
8 density bonus consistent with local needs for any affordable housing  
9 development of any single-family or multifamily residence located on  
10 real property owned or controlled by a religious organization  
11 provided that:

12 (a) ~~((The))~~ At least 20 percent of the affordable housing  
13 development is set aside for or occupied exclusively by low-income  
14 households;

15 (b) The affordable housing development is part of a lease or  
16 other binding obligation that requires ~~((the development))~~ at least  
17 20 percent of the housing units to be used exclusively for affordable  
18 housing purposes for at least fifty years, even if the religious  
19 organization no longer owns the property; and

20 (c) The affordable housing development does not discriminate  
21 against any person who qualifies as a member of a low-income

1 household based on race, creed, color, national origin, sex, veteran  
2 or military status, sexual orientation, or mental or physical  
3 disability; or otherwise act in violation of the federal fair housing  
4 amendments act of 1988 (42 U.S.C. Sec. 3601 et seq.).

5 (2) A city (~~may~~) must develop policies to implement this  
6 section if it receives a request from a religious organization for an  
7 increased density bonus for an affordable housing development. A city  
8 may establish policies to require an affordable housing development  
9 to set aside more than 20 percent of all residential dwelling units  
10 for low-income households to qualify for the increased density bonus.

11 (3) The religious organization or an entity leasing the property  
12 for the purpose of developing the affordable housing development must  
13 pay all fees, mitigation costs, and other charges required through  
14 the development of the affordable housing development.

15 (4) If applicable, the religious organization developing the  
16 affordable housing development should work with the local transit  
17 agency to ensure appropriate transit services are provided to the  
18 affordable housing development.

19 (5) This section applies to any religious organization  
20 rehabilitating an existing affordable housing development.

21 (6) For purposes of this section:

22 (a) "Affordable housing development" means a proposed or existing  
23 structure in which (~~one hundred~~) 20 percent of all single-family or  
24 multifamily residential dwelling units within the development are set  
25 aside for or are occupied by low-income households (~~at a sales price~~  
26 ~~or rent amount that may not exceed thirty percent of the income limit~~  
27 ~~for the low-income housing unit~~) whose monthly housing costs,  
28 including utilities other than telephone, do not exceed 30 percent of  
29 the household's monthly income;

30 (b) "Low-income household" means a single person, family, or  
31 unrelated persons living together whose adjusted income is (~~less~~  
32 ~~than eighty~~) at or below 80 percent of the median family income,  
33 adjusted for household size, for the county where the affordable  
34 housing development is located, as reported by the United States  
35 department of housing and urban development; and

36 (c) "Religious organization" has the same meaning as in RCW  
37 35.21.915.

38 **Sec. 2.** RCW 35A.63.300 and 2019 c 218 s 2 are each amended to  
39 read as follows:

1 (1) A city planning under this chapter must allow an increased  
2 density bonus consistent with local needs for any affordable housing  
3 development of any single-family or multifamily residence located on  
4 real property owned or controlled by a religious organization  
5 provided that:

6 (a) ~~((The))~~ At least 20 percent of the affordable housing  
7 development is set aside for or occupied exclusively by low-income  
8 households;

9 (b) The affordable housing development is part of a lease or  
10 other binding obligation that requires ~~((the development))~~ at least  
11 20 percent of the housing units to be used exclusively for affordable  
12 housing purposes for at least fifty years, even if the religious  
13 organization no longer owns the property; and

14 (c) The affordable housing development does not discriminate  
15 against any person who qualifies as a member of a low-income  
16 household based on race, creed, color, national origin, sex, veteran  
17 or military status, sexual orientation, or mental or physical  
18 disability; or otherwise act in violation of the federal fair housing  
19 amendments act of 1988 (42 U.S.C. Sec. 3601 et seq.).

20 (2) A city ~~((may))~~ must develop policies to implement this  
21 section if it receives a request from a religious organization for an  
22 increased density bonus for an affordable housing development. A city  
23 may establish policies to require an affordable housing development  
24 to set aside more than 20 percent of all residential dwelling units  
25 for low-income households to qualify for the increased density bonus.

26 (3) The religious organization or an entity leasing the property  
27 for the purpose of developing the affordable housing development must  
28 pay all fees, mitigation costs, and other charges required through  
29 the development of the affordable housing development.

30 (4) If applicable, the religious organization developing the  
31 affordable housing development should work with the local transit  
32 agency to ensure appropriate transit services are provided to the  
33 affordable housing development.

34 (5) This section applies to any religious organization  
35 rehabilitating an existing affordable housing development.

36 (6) For purposes of this section:

37 (a) "Affordable housing development" means a proposed or existing  
38 structure in which ~~((one hundred))~~ 20 percent of all single-family or  
39 multifamily residential dwelling units within the development are set  
40 aside for or are occupied by low-income households ~~((at a sales price~~

1 ~~or rent amount that may not exceed thirty percent of the income limit~~  
2 ~~for the low-income housing unit))~~ whose monthly housing costs,  
3 including utilities other than telephone, do not exceed 30 percent of  
4 the household's monthly income;

5 (b) "Low-income household" means a single person, family, or  
6 unrelated persons living together whose adjusted income is (~~less~~  
7 ~~than eighty~~) at or below 80 percent of the median family income,  
8 adjusted for household size, for the county where the affordable  
9 housing development is located, as reported by the United States  
10 department of housing and urban development; and

11 (c) "Religious organization" has the same meaning as in RCW  
12 35A.21.360.

13 **Sec. 3.** RCW 36.70A.545 and 2019 c 218 s 3 are each amended to  
14 read as follows:

15 (1) Any city or county fully planning under this chapter must  
16 allow an increased density bonus consistent with local needs for any  
17 affordable housing development of any single-family or multifamily  
18 residence located on real property owned or controlled by a religious  
19 organization provided that:

20 (a) (~~The~~) At least 20 percent of the affordable housing  
21 development is set aside for or occupied exclusively by low-income  
22 households;

23 (b) The affordable housing development is part of a lease or  
24 other binding obligation that requires (~~the development~~) at least  
25 20 percent of the housing units to be used exclusively for affordable  
26 housing purposes for at least fifty years, even if the religious  
27 organization no longer owns the property; and

28 (c) The affordable housing development does not discriminate  
29 against any person who qualifies as a member of a low-income  
30 household based on race, creed, color, national origin, sex, veteran  
31 or military status, sexual orientation, or mental or physical  
32 disability; or otherwise act in violation of the federal fair housing  
33 amendments act of 1988 (42 U.S.C. Sec. 3601 et seq.).

34 (2) A city or county (~~may~~) must develop policies to implement  
35 this section if it receives a request from a religious organization  
36 for an increased density bonus for an affordable housing development.  
37 A city or county may establish policies to require an affordable  
38 housing development to set aside more than 20 percent of all

1 residential dwelling units for low-income households to qualify for  
2 the increased density bonus.

3 (3) An affordable housing development created by a religious  
4 institution within a city or county fully planning under RCW  
5 36.70A.040 must be located within an urban growth area as defined in  
6 RCW 36.70A.110.

7 (4) The religious organization or an entity leasing the property  
8 for the purpose of developing the affordable housing development must  
9 pay all fees, mitigation costs, and other charges required through  
10 the development of the affordable housing development.

11 (5) If applicable, the religious organization developing the  
12 affordable housing development should work with the local transit  
13 agency to ensure appropriate transit services are provided to the  
14 affordable housing development.

15 (6) This section applies to any religious organization  
16 rehabilitating an existing affordable housing development.

17 (7) For purposes of this section:

18 (a) "Affordable housing development" means a proposed or existing  
19 structure in which (~~one hundred~~) 20 percent of all single-family or  
20 multifamily residential dwelling units within the development are set  
21 aside for or are occupied by low-income households (~~at a sales price~~  
22 ~~or rent amount that may not exceed thirty percent of the income limit~~  
23 ~~for the low-income housing unit~~) whose monthly housing costs,  
24 including utilities other than telephone, do not exceed 30 percent of  
25 the household's monthly income;

26 (b) "Low-income household" means a single person, family, or  
27 unrelated persons living together whose adjusted income is (~~less~~  
28 ~~than eighty~~) at or below 80 percent of the median family income,  
29 adjusted for household size, for the county where the affordable  
30 housing development is located, as reported by the United States  
31 department of housing and urban development; and

32 (c) "Religious organization" has the same meaning as in RCW  
33 36.01.290.

34 **Sec. 4.** RCW 82.59.010 and 2024 c 332 s 3 are each amended to  
35 read as follows:

36 The definitions in this section apply throughout this chapter  
37 unless the context clearly requires otherwise.

38 (1) "Affordable housing" means:

1 (a) Homeownership housing intended for owner occupancy to low-  
2 income households whose monthly housing costs, including utilities  
3 other than telephone, do not exceed 30 percent of the household's  
4 monthly income;

5 (b) "Rental housing" for low-income households whose monthly  
6 housing costs, including utilities other than telephone, do not  
7 exceed 30 percent of the household's monthly income.

8 (2) "Applicant" means an owner of commercial property.

9 (3) "City" means any city or town, including a code city.

10 (4) "Conditional recipient" means an owner of commercial property  
11 granted a conditional certificate of program approval under this  
12 chapter, which includes any successor owner of the property.

13 (5) "Eligible investment project" means an investment project  
14 that is located in a city and receiving a conditional certificate of  
15 program approval.

16 (6) "Governing authority" means the local legislative authority  
17 of a city having jurisdiction over the property for which a deferral  
18 may be granted under this chapter.

19 (7) "Household" means a single person, family, or unrelated  
20 persons living together.

21 (8)(a) "Initiation of construction" means the date that a  
22 building permit is issued under the building code adopted under RCW  
23 19.27.031 for construction of the qualified building, if the  
24 underlying ownership of the building vests exclusively with the  
25 person receiving the economic benefit of the deferral.

26 (b) "Initiation of construction" does not include soil testing,  
27 site clearing and grading, site preparation, or any other related  
28 activities that are initiated before the issuance of a building  
29 permit for the construction of the foundation of the building.

30 (c) If the investment project is a phased project, "initiation of  
31 construction" applies separately to each phase.

32 (9) "Investment project" means an investment in multifamily  
33 housing, including labor, services, and materials incorporated in the  
34 planning, installation, and construction of the project. "Investment  
35 project" includes investment in related facilities such as  
36 playgrounds and sidewalks as well as facilities used for business use  
37 for mixed-use development.

38 (10) "Low-income household" means a single person, family, or  
39 unrelated persons living together whose adjusted income is at or  
40 below 80 percent of the median family income adjusted for family

1 size, for the county, city, or metropolitan statistical area, where  
2 the project is located, as reported by the United States department  
3 of housing and urban development.

4 (11) "Multifamily housing" means a building or a group of  
5 buildings having four or more dwelling units not designed or used as  
6 transient accommodations and not including hotels and motels.  
7 Multifamily units may result from rehabilitation or conversion of  
8 vacant, underutilized, or substandard buildings to multifamily  
9 housing.

10 (12) "Owner" means ~~((the))~~:

11 (a) The property owner of record; or

12 (b) An entity leasing a property owned or controlled by a  
13 religious organization for the purpose of developing an investment  
14 project.

15 (13) "Underutilized commercial property" means an entire  
16 property, or portion thereof, currently used or intended to be used  
17 by a business for retailing or office-related or administrative  
18 activities. If the property is used partly for a qualifying use and  
19 partly for other purposes, the applicable tax deferral must be  
20 determined by apportionment of the costs of construction under rules  
21 adopted by the department. For the purposes of this subsection,  
22 "qualifying use" means used or intended to be used by a business for  
23 retailing or office-related or administrative activities.

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