

2023 Legislative Session Summary: Housing and Homelessness

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April 30, 2023

Of the 45 bills related to affordable housing and homelessness that were introduced this session, only 13 passed. Additionally, HB 1110, an amendment to the Growth Management Act for middle housing passed. Many legislators indicated at the beginning of the session that housing and homelessness was their highest priority. Although only one-third of League's priority bills passed, this is a much higher ratio than for all legislation combined; and considerable funding was budgeted as well.

Please read details of the bills below and a summary of the Middle Housing bill at the end.

Bills that Passed

As of this writing, three of the bills that passed have also been signed by the Governor. These include the following:

SB 5198 Concerning the sale or lease of manufactured/mobile home communities and the property on which they sit. This bill would add protection for manufactured/mobile home-owners when the land they rent is sold and they are vulnerable to having to move. It passed the Senate as a second substitute with a vote of 31-17 and passed the House on March 23 with a vote of 95 to 3. It has now been signed by the Governor and will be effective on July 23.

HB 1046 Expanding housing supply by supporting the ability of public housing authorities to finance affordable housing developments by re-benchmarking area median income limits. This increases the area median income limits on a public housing authority financed, low-income housing development to 80 percent, making affordable housing accessible to a larger population that in spite of higher income levels is challenged to find housing they can afford. This bill passed the House with a vote of 96 to 0 on January 25. It passed the Senate with a vote of 49 to 0 on April 10. It has been signed by the Speaker of the House and President of the Senate and was delivered to the Governor on April 14.

HB 1070 Exempting the sale and leaseback of property by a seller from the residential landlord-tenant act when the seller agrees to a written lease at closing. This would allow the buyer to allow the seller to remain living in the home for up to six months if there is a written agreement between the buyer and seller. This bill passed the House on January 25 with a vote of 96-0. It passed the Senate on March 22 with a vote of 49-0. As of the last week in March,

both the President of the Senate and the Speaker of the House have signed the bill and it will be sent to the Governor's office for signature.

Bills that passed but are still awaiting the Governor's signature as of this writing include:

SB 5301 Concerning housing programs administered by the department of commerce, would authorize the Housing Trust Fund administered by the Department of Commerce to support low-income residents in new ways. This bill was passed as a substitute from the Senate with a vote of 49-0. It passed the House with amendments on April 12 and the Senate concurred with the House amendments on April 19. It has been delivered to the Governor for signature.

SB 5045 Incentivizing rental of accessory dwelling units to low-income households, passed the Senate as a second substitute with a vote of 43-5. It passed the House on April 7 as a substitute with a vote of 59 to 38. On April 13, the Senate concurred with House amendments, and the bill has been delivered to the Governor for signature.

SB 5197 Addressing landlord-tenant relations by providing technical changes to eviction notice forms and modifying certain eviction processes. This bill would add to tenant protection in eviction proceedings. It passed the Senate with a vote of 28-20. It passed the House on April 7 with amendments on a vote of 57 to 40. On April 14, the Senate concurred with House amendments, and it has been delivered to the Governor for signature.

SB 5386 Reducing administrative complexity by increasing transparency of revenue flows for activities funded by document recording fees. This bill passed as a substitute from the Senate with a vote of 48-0 and was referred to the House. It passed the House on April 11 with amendments on a vote of 92 to 5. On April 17, the Senate concurred with House amendments and the bill has now been delivered to the Governor for signature.

HB 1042 Concerning the use of existing buildings for residential purposes, would prohibit cities from imposing certain restrictions or requirements on new housing units constructed within an existing building that is located in a zone that permits multifamily housing. These include density, parking and other. This bill passed the House as a substitute, 96-0. It passed the Senate Housing Committee with amendments and was referred to the Rules Committee. From there it went to the floor for a vote on April 5, where it passed 45 to 3. On April 14, the House concurred with Senate amendments on a vote of 96 to 0, and the bill has been delivered to the Governor for signature.

HB 1074 Addressing documentation and processes governing landlords' claims for damage to residential premises, increases tenant protection from landlord abuse of damage deposits and claims. It would require a landlord to substantiate the cost of any damages withheld from a tenant deposit with repair estimates, invoices, or other documentation; prohibit a landlord from withholding any portion of a tenant deposit for certain items; and establish a one-year statute of limitations for a landlord to take any action against a tenant to recover sums exceeding the amount of the damage deposit. It would also provide the landlord with

additional time to provide such documentation. This bill passed as a substitute bill from the House with a vote of 57-40. It passed the Senate with amendments on April 10 with a vote of 29 to 19. On April 14, the House concurred with the Senate amendments with a vote of 57 to 39, and it has been transmitted to the Governor for signature.

[HB 1293](#) Streamlining development regulations. This bill is intended to support infill development of housing units by exempting certain infill projects from environmental review processes, provided that the jurisdiction has done an EIS and that the development is in an area zoned for residential development. This bill passed the House with a vote of 94-3 and has been to the Senate Local Government, Land Use & Tribal Affairs Committee. It passed the Senate on April 11 with amendments on a vote of 49 to 0. On April 14, the House concurred with Senate amendments, and it has been delivered to the Governor for signature.

[HB 1337](#) Expanding housing options by easing barriers to the construction and use of accessory dwelling units, would require fully planning cities and counties to allow accessory dwelling units (ADUs) in urban growth areas (UGAs) and prohibit certain ADU regulations within UGAs. This bill was passed the House with a vote of 81-15. It passed the Senate on April 6 with a vote of 30 to 7 with amendments. On April 14, the House concurred with Senate amendments on a vote of 85 to 11. It has been delivered to the Governor for signature.

[HB 1349](#) Concerning foreclosure protections. This bill would extend the notification periods required for foreclosure, thereby providing tenants with additional protection. It passed the House with a vote of 97-0 and passed the Senate Housing Committee with amendments on March 22. It was pulled from Rules to the floor for a vote, where it passed 46 to 0 on April 6. On April 14, the House concurred with Senate amendments on a vote of 96 to 0 and it has been delivered to the Governor for signature.

[HB 1474](#) Creating the covenant homeownership account and program to address the history of housing discrimination due to racially restrictive real estate covenants in Washington state. This bill passed the House with a vote of 53-43. It passed the Senate Housing Committee with amendments and the Senate Ways & Means Committee and ultimately passed the Senate on April 7 with amendments and a vote of 30 to 19. On April 17 the House concurred with Senate amendments and the bill has been delivered to the Governor for signature.

Bills that did Not Pass

[SB 5334](#) Providing a local government option for the funding of essential affordable housing programs, would authorize local governments to establish an excise tax on the sale of or charge made for the furnishing of lodging of short-term rentals facilitated through a short-term rental platform (e.g., Air bnb). The revenue from this tax must be used exclusively for the operating and capital costs of affordable housing programs including, but not limited to, homeless housing assistance, temporary shelters, and other related services. This bill passed the Senate on March 6 as a substitute with a 29-20 vote. It passed the House Local Government and

Finance Committees with amendments and is now in the House Rules Committee, where it is scheduled for second reading. Although it did not move to the floor for action by the cutoff date, it is a bill that could be construed as necessary to implement the budget and so is not yet considered dead.

SB 5279 Expanding a sales and use tax deferral program for affordable housing to include structures initially used as temporary employee housing for employees constructing warehouses, distribution centers, and other large facilities. The League will watch this bill. Tax benefits are typically used to encourage certain policies for statewide benefit. It is not clear that the benefit of this proposal outweighs the tax obligation. This bill was moved from the Senate Housing Committee and is now in the Senate Ways & Means Committee. It had a public hearing in that committee on March 9 but has not been scheduled for executive session to date.

HB 1628 Increasing the supply of affordable housing by modifying the state and local real estate excise tax. This bill would apply a Real Estate Excise Tax on homes sold for more than \$5 million. The tax would be on the amount greater than \$5 million and the tax would be 4%. Proceeds would be used for a new Development Disabilities Trust Account to provide housing support for individuals with developmental disabilities. This bill passed the House Local Government Committee on February 10 and is now in the Finance Committee, where it had a public hearing on February 21. In executive session on April 14, this bill was passed as a substitute and will go to the House Rules Committee.

HB 1111 Concerning housing benefit districts. This bill provides local governments with more options to increase residential capacity, especially in urban areas, by authorizing cities to establish housing benefit districts. These districts would be governed by a board and would be allowed to acquire, through land banking, predevelopment contracting, selling, improving, funding, and leasing, land for the development of affordable housing for low-income and moderate-income households within an area a half-mile or less from a major transit stop and is zoned for average minimum density of 15 dwelling units per acre or more. This bill passed the House Housing Committee as a substitute on February 7. It was referred to the Capital Budget Committee, where it had a public hearing on February 22 and may be considered necessary to implement the budget, though it has not yet been scheduled for executive session.

SB 5202/HB 1149 Reducing homelessness in Washington state through capital expenditures for programs that address housing insecurity. **SB 5202** was moved out of the Senate Housing Committee as a substitute on February 1 and is now in the Senate Ways & Means Committee. Although it did not move out of committee by the cut-off date, it could become a bill labeled “necessary to implement the budget” so may not have died. **HB 1149** has not been scheduled for executive session following its public hearing in the House Capital Budget Committee. This has the same status as its companion bill.

SB 5060 Requiring the registration of rental and vacant housing units, would require landlords to register their rental units with Department of Commerce, thereby providing a method of tracking and reporting rental rates across the state. This bill passed the House Housing

Committee was referred to the Ways & Means Committee but did not move out of that committee by the cut-off date so has died.

SB 5118 Concerning modifying the multifamily property tax exemption to promote development of long-term affordable housing. This bill would create a new 99-year property tax exemption for properties that commit to renting or selling at least 35 percent of the multifamily housing square footage as affordable housing to low- and moderate-income households. This bill had a public hearing in the House Housing Committee on January 13 but died because it never had an executive session and moved out of policy committee by the cutoff.

SB 5235 Concerning accessory dwelling units, would modify the Growth Management Act to require cities and counties to allow accessory dwelling units (ADUs) in urban growth areas (UGAs) and prohibit certain ADU regulations within UGAs. It would also allow cities and counties to offer incentives for the construction or development of ADUs. This bill passed the Senate with a vote of 42-6. It passed the House Housing Committee with amendments on March 27 and is now in the House Rules Committee. Since this bill did not move to the floor for a vote by the April 12 cutoff, it has died for this session.

SB 5413 Concerning housing for essential needs and aged, blind, and disabled assistance programs, assures one year of rent for eligible individuals who transfer from one area of the state to another and would be at risk of losing this benefit. This bill had a public hearing on January 25 in the Senate Human Services Committee but no action was taken in the executive session on February 2, so the bill has died.

SB 5435 Concerning residential rent increases under the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act. This bill had a public hearing on January 27 and executive session on February 10 but no action was taken, so the bill has died. Its companion bill, HB 1389, did not pass.

SB 5466 Promoting transit-oriented development. This bill has passed both the Senate as a substitute with a vote of 40-8. It passed the House Housing Committee with amendments and the Capital Budget Committee and is now in the House Rules Committee. Unfortunately, it did not move to the floor for a vote by the April 12 cutoff so has died for this session.

SB 5496 Creating the covenant homeownership account and program to address the history of housing discrimination due to racially restrictive real estate covenants in Washington state. This bill passed as a substitute from the Senate Housing Committee was referred to the Senate Ways & Means Committee, but it did not pass out of that committee by the fiscal cut-off so has died. Its companion bill, HB 1474 is still active.

SB 5506/HB 1654 Establishing an enhanced behavior support homes model would establish a permanent supportive housing program to provide services and support to serve individuals needing behavioral health services to live independently in a community setting rather than in

an institution. **SB 5506** passed the Senate Human Services Committee on February 7 and was referred to the Ways & Means Committee, where it had a public hearing; but it did not pass out of the Ways & Means Committee by the cut-off date, so it has died. **HB 1654** never got a public hearing so has died also.

[SB 5637](#) Providing for graduated rental rate agreements under the transitional housing operating and rent program. This bill had a public hearing in the Senate Housing Committee on Wednesday, February 8 but never had an executive session, so it has died.

[HB 1054](#) Addressing the authority of owners' associations in common interest communities to regulate or limit occupancy by unrelated persons, would prohibit an association of unit owners in a common interest community from regulating or limiting the number of unrelated persons that may occupy a unit. This bill passed the House on February 6, 67 to 26 and was referred to the Law & Justice Committee of the Senate, where it had a public hearing on March 9 and was passed as a substitute bill in executive session on March 22. It is now in the Senate Rules Committee. Since it did not move to the floor for a vote by the cutoff on April 12, this bill has now died.

[HB 1124](#) Protecting tenants from excessive rent and related fees by providing at least six months' notice for rent increases over a certain amount. This bill would require between 180- and 220-days' notice of rent increases that exceed five percent. It would address recent egregious rent increases that have forced people to move because they could not afford the increase and give tenants subject to such increases more time to plan and organize their necessary responses. This bill passed the House Housing Committee as a substitute on January 26 and was moved to the House Rules Committee but died because it was not pulled to the floor for a vote by the cutoff date.

[HB 1129](#) Concerning the sale or lease of manufactured/mobile home communities and the property on which they sit. This bill would add protection for manufactured/mobile homeowners when the land they rent is sold and they are vulnerable to having to move. It passed the House Housing Committee as a substitute on February 13 and was sent to the House Rules Committee but it died because it was not pulled to the floor for a vote by the cutoff date.

[HB 1167](#) Concerning residential housing regulations. This bill requires the Department of Commerce to develop and administer a grant program to assist counties and cities adopt preapproved middle housing plans, directs the State Building Code Council to convene a work group to recommend needed changes to apply the International Residential Code to multiplex housing, and prohibits a city or county from imposing any regulations, reviews, or standards on multiplex housing that is not applied to detached single family residences, except when necessary for fire and life safety. This bill passed the House on March 4 with a vote of 95-0 and was referred to the Senate Local Government, Land Use & Tribal Affairs Committee, where it passed out of committee. It was then referred to the Senate Ways & Means Committee, where passed with amendments and it is now in the Senate Rules Committee. Since it did not move to the floor for a vote by the cutoff of April 12, this bill has now died.

HB 1252 Concerning impact fee deferrals. This bill amends the chapter of RCW that authorizes impact fees and allows deferrals of fee payments for single family residential development to allow an agreement with the developer to specify when the fee will be paid and specifies conditions that must be met in the agreement. This bill passed the House Housing Committee on February 7 and is now in the House Rules Committee but has died in that committee for this year.

HB 1367 Eliminating unnecessary homeless funding budget and auditing requirements. This bill passed the House, 97-0 on February 9 and had a public hearing in the Senate Housing Committee on February 17 and was passed out of committee as a substitute in executive session on March 22. It is now in the Senate Rules Committee. This bill died because it did not move to the floor for a vote by the cutoff of April 12.

HB 1389 Concerning residential rent increases under the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act. This bill passed the House Housing Committee as a substitute from the House Appropriations Committee and was in the House Rules Committee. It died because it was not pulled for a floor vote by the cutoff date. Its companion bill, SB 5435, died in the Senate.

HB 1401 Allowing cities and counties to create a simple, standardized housing permit process for affordable housing units in areas designated for housing. This bill amends the Growth Management Act to allow all cities and counties to adopt development regulations that create a simple, low cost, expedited permit process for development of single-family, duplex, triplex, or accessory dwelling housing units with less than 1,801 square feet per unit and requires those jurisdictions who do this to report on units built. This bill passed out of the House Housing Committee on February 2 and was in the House Rules Committee but did not get pulled for a floor vote by the cutoff date.

HB 1507 Concerning fair housing training for officers or board members in common interest communities, would amend the RCW related to condominiums to require that officers or board members of condo associations complete a training course regarding federal and state fair housing laws. This bill passed the House with a vote of 87-10 and has been referred to the Senate Law & Justice Committee but has not been scheduled for public hearing. Since it did not pass out of that committee by the March 29 cutoff date, it has died.

HB 1596 Providing local governments with options to increase affordable housing in their communities. This bill passed the House Local Government Committee and the House Finance Committee and is now in the House Rules Committee, where it died for not having moved to the floor by the cutoff date.

SB 5674 Defining affordable housing for purposes of using surplus public property for public benefit, companion bill to HB 1695, passed the Senate Housing Committee and was assigned to the Senate Rules Committee but was not pulled to the floor for a vote before the cutoff date so it died.

HB 1343 Providing local governments with options to grant rent relief and preserve affordable housing in their communities. This bill would give local jurisdictions the authority to establish property tax incentives for low-income household rental housing that meets certain criteria. It had a public hearing on January 31 in the House Housing Committee and was scheduled for executive session on February 9, but no action was taken, so this bill has died.

HB 1350 Expanding the multifamily tax exemption program to include converting existing multifamily units. This bill would authorize jurisdictions to include 12-year tax exemptions for renovations of multifamily units within cities located in a county with a population greater than 300,000 in areas that have designated a low-income conversion target area, for an existing multiple unit property that is converting existing units to affordable housing. It had a public hearing on January 31 in the House Housing Committee but has not been scheduled for executive session, so it has died.

HB 1388 Protecting tenants by prohibiting predatory residential rent practices and by applying the consumer protection act to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act. This bill passed the House Housing Committee as a substitute on February 9 and was referred to the House Appropriations Committee; but since it did not move out of that committee by the cut-off, it has died.

HB 1517 Promoting transit-oriented development. This bill had a public hearing on February 7 but was not scheduled yet for executive session, so it has died.

HB 1709 Concerning housing programs administered by the department of commerce, a companion bill to SB 5301, was passed as a substitute out of the House Capital Budget Committee and is now in the House Rules Committee. It did not pass the House by the cut-off date and has died.

How You Can Be Involved

- Respond to Action Alerts in the legislative newsletter. These will primarily appear in the section of the newsletter related to housing and homelessness.
- Join the League's Housing Affinity Group by contacting Cynthia Stewart, cstewart@lwvwa.org.
- Work with your local jurisdiction to assure that comprehensive planning will address the housing needs of your community. Contact your city or county planning department to obtain a comp plan development schedule and opportunities for engagement.

Highlights of HB 1110, Increasing middle housing in areas traditionally dedicated to single-family detached housing.

- Passed the Legislature, April 18, 2023
- Delivered to Governor April 21, 2022

- Applies 6 or 12 months after comp plan update, depending on jurisdiction

Findings (partial)

The legislature finds that **Washington is facing an unprecedented housing crisis** for its current population and **a lack of housing choices**, and is **not likely to meet the affordability goals for future populations**. In order to meet the goal of 1,000,000 new homes by 2044, and enhanced quality of life and environmental protection, **innovative housing policies will need to be adopted**. Increasing housing options that are more affordable to various income levels is critical to achieving the state's housing goals, including those codified by the legislature under chapter 254, Laws of 2021. There is **continued need for the development of housing at all income levels, . . .**

The Growth Management Act was amended with the following changes:

- Definitions
 - Note: **“Affordable housing”** was already in the statute. This is included here for reference only.
 - “Residential housing whose monthly costs, including utilities other than telephone, do not exceed 30% of the monthly income of a household whose income is:
 - (a) For rental housing, 60% of AMI adjusted for household size, for the county where the household is located
 - (b) For owner-occupied housing, 80% of AMI adjusted for household size, for the county where the household is located”
 - Added as part of the bill:
 - “Administrative design review”
 - “Cottage housing”
 - “Courtyard apartments”
 - “Major transit stop”
 - “Middle housing”
 - “Single-family zones”
 - “Stacked flat”
 - “Townhouses”
 - Amended:
 - “Rural governmental services”: transportation, public transit services, and other public utilities [besides domestic water systems and fire and police services] were removed from definition.
 - Of special note: Major transit stop means:
 - A stop on a high-capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW (High Capacity Transportation Systems);
 - Commuter rail stops;
 - Stops on rail or fixed guideway systems; or
 - Stops on bus rapid transit routes.
- What cities must do in their comprehensive plans and implementation ordinances:

- Population 25,000-75,000 must allow:
 - At least 2 units per lot in all residential zoning
 - At least 4 units per lot w/in ¼ mile walking distance of major transit stop
 - At least 4 units per lot if at least one unit is affordable housing
- Population 75,000+ must allow:
 - At least 4 units per lot in all residential zoning
 - At least 6 units per lot w/in ¼ mile walking distance of major transit stop
 - At least 6 units per lot if at least 2 units are affordable housing
- Population under 25,000 but in urban growth contiguous to largest city in a county w/ population of 275,000+
- At least 2 units per lot on all lots zoned residential
- To qualify for additional units, “ “affordable” means rented or sold and recorded to be maintained as affordable for at least 50 years and must be in range of sizes similar to the entire development
- Requirements do not apply to lots under 1,000 square feet, areas w/in 1 mile radius of Sea-Tac Airport or critical areas, watershed serving a reservoir, urban separators
- WA State Dept of Commerce responsibilities:
 - Provide tech assistance
 - Publish model middle housing ordinances w/in 6 months of effective date; these supercede city ordinance if city has not adopted its own
 - Provide alternative local actions
 - Alternative density provisions allowed
 - May approve city plans adopted by 1/23 if similar to this Act (w/ specifics)
 - SEPA modified for certain conditions