

Government Relations Updates

Growth Management Policy Board

January 15, 2026

Updated
as of
1/15/2026



Puget Sound Regional Council



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Federal Updates

- Continuing Resolution through January 30, 2026
- 2 Appropriations Minibus packages
- Affordable Care Act Subsidies



Continuum of Care Changes



- Lawsuit ongoing
- Judge ordered reinstatement of 24-25 NOFO and begin **processing** renewals
- No funds will be rewarded until final judgment
- Efforts to include language in THUD appropriations bill to require HUD to fund renewals continue

Governor Ferguson's Proposed Operating Budget

- Supports Millionaire's Tax
- Taps \$1b of Rainy Day Fund
- \$569m Climate Commitment Act for Working Families Tax Credit
- Ends tax exemption for data center replacement equipment and prescription warehouses
- Cuts to agencies, higher ed, education, childcare



Housing Investments



- \$225m Housing Trust Fund
- \$500k Housing Agency task Force
- \$5m Multifamily building efficiency grants
- \$5m Low-income home rehabilitation grants for flood victims
- \$4m Home Futures Institute

[Housing Highlights](#)



Impacts of Federal Funding Changes

- 48 lawsuits
- \$15b in federal funding at risk
- \$165m federal funding shifts
- 1 million Washingtonians affected



Governor Ferguson's Proposed Transportation Budget



- \$1b for 3 new ferries
- \$2.1b for maintenance & preservation

[Press Release](#)

[Budget Summary](#)
(p.35)



Support Letters

- Support Governor's \$1b Investment Ferries
[Sign here](#)
- Coming Soon – Support Governor's Supplemental Transportation Budget Investments



Revenue Proposals

- Excise tax on payroll expenses [HB 2100](#) (Scott)/[SB 6093](#) (Saldaña)
- Advanced computing surcharge [HB 1839](#) (Reed)
- Enacting a tax on stocks, bonds, and other financial intangible assets [SB 5797](#) (Frame)



Residential Development in Commercial Zones



SB 6026 (Alvarado)

- Requires residential development to be allowed in commercial zones
- Prohibits requiring ground floor commercial as condition of residential development in commercial/mixed use zones

Analysis



Resources to Address Continuum of Care

Allowed Uses for Funding for Affordable Housing and Services [SB 6067](#) (Alvarado) [HB 2359](#) (Petersen)

- Flexibility for HB 1590 sales tax
- Extends REET exemption for affordable housing to 24 months

Budget Request \$120m for funding for operations and maintenance for PSH



Siting of PSH/Shelter



[SB 6069](#) (Alvarado)/ [HB 2266](#) (Petersen)

- Must allow transitional housing, PSH, shelter in any area in the UGA not zoned industrial
- Prohibits requiring more restrictive standards for STEP than other types of residential



Thank You!

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