

# Government Relations Updates

## Growth Management Policy Board

March 6, 2025

Updated  
as of  
3/5/2025



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](https://psrc.org/equity)

# Federal Updates



- Budget Reconciliation
- Extend Continuing resolution through Sept 30?
- March 14 current Continuing Resolution ends



# HUD Directives



- Staff reductions
- Section 4 grant terminations
- Eliminated Affirmatively Furthering Fair Housing Rule
- Regulatory reform to restore homeownership
- Saving American Suburbs
- DOGE task force

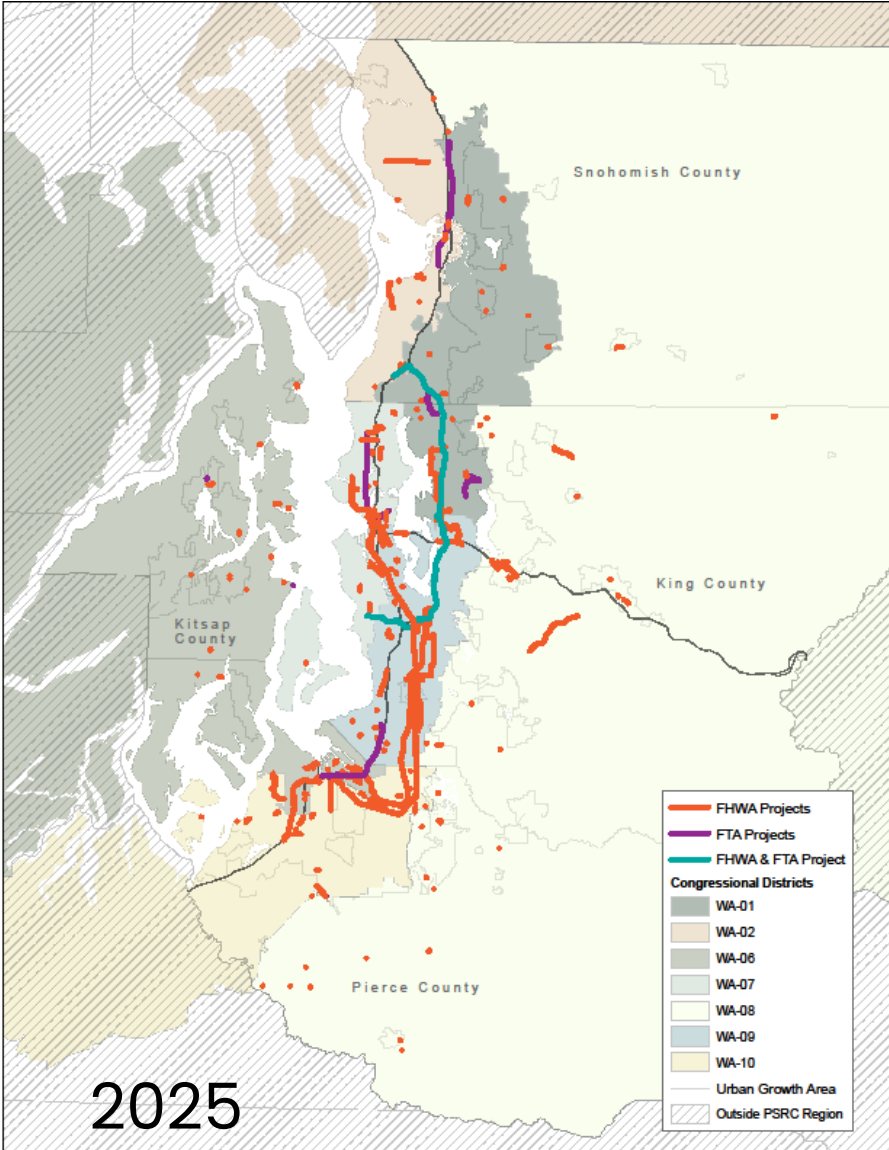
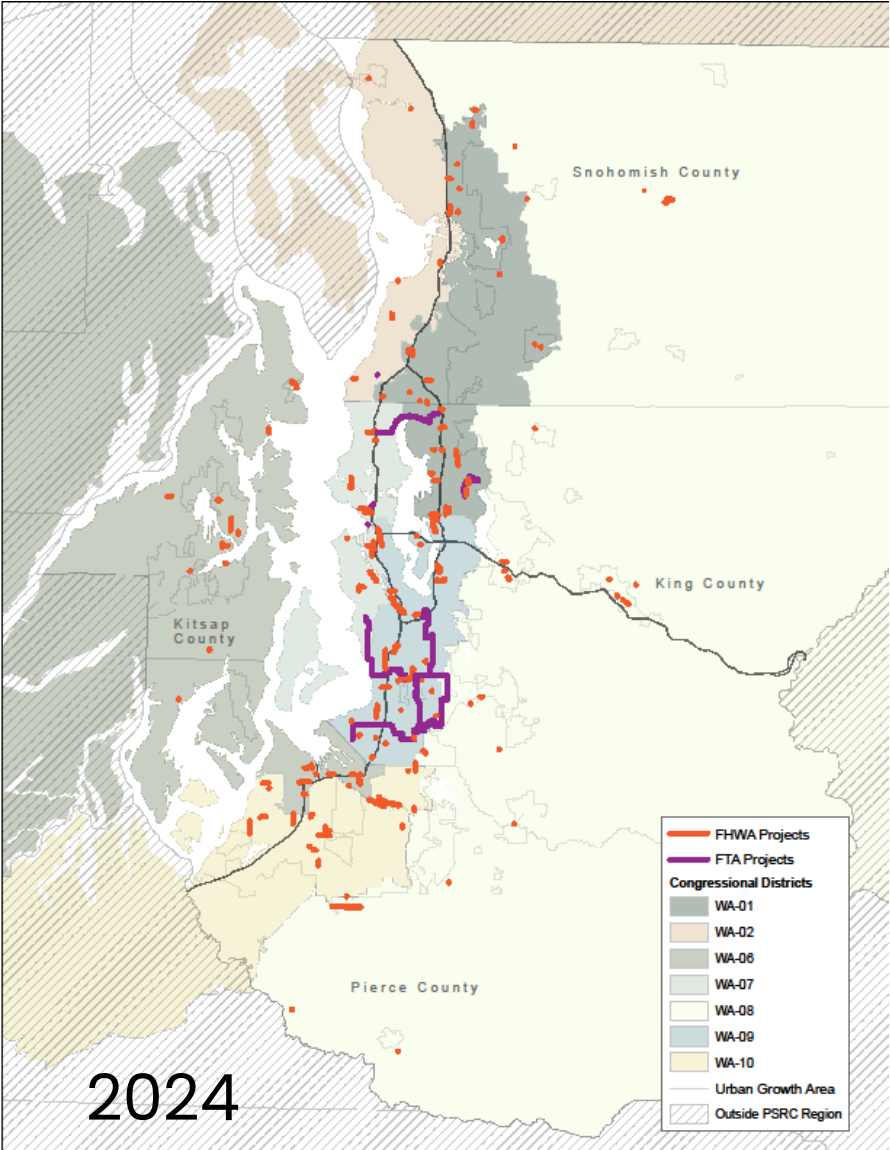


# PSRC Federal Engagement

- National Association of Regional Councils
- 9 congressional staff visits
- Senate Environment & Public Works Committee and House Transportation & Infrastructure



# Federal Updates: PSRC Regional Impact



**\$2.2 billion**  
in federal  
funds for  
projects  
obligated  
2024-2025



# Federal Resources

- [Video: PSRC Executive Board Update \(40:45\)](#)
- [Executive Order Summaries from Holland & Knight](#)
- [PSRC Federal News Post](#)



# 2025 State Legislative Session



- 2,151 bills introduced
- March 12 House of Origin Cut-off
- Next revenue forecast March 18

# 2025 Legislative Session Budget Outlook

- Operating budget deficit of \$12–\$15 billion
- Transportation budget deficit of \$8 billion, \$1.2 billion in FY 25–27

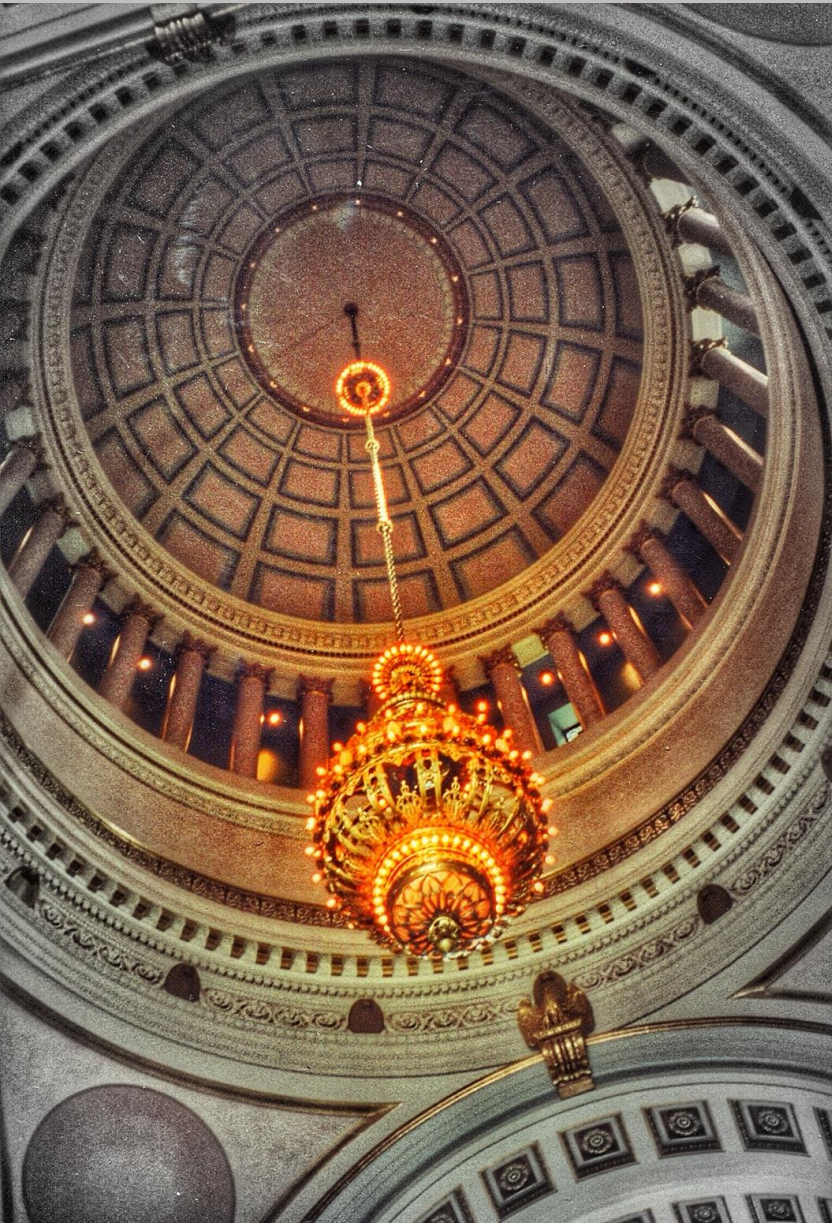
## Budget Pressures:

- Lawsuits and tort claims
- Federal Funds ~ 30% of state budget
- Economic Outlook last week





# Governor and Legislative Proposals and Responses



- [\\$4 billion new Governor Ferguson budget reduction plan](#)
- [House Democrats: WA Budget Cuts](#)
- New revenue being discussed by legislature
- Budgets after 3/18 revenue forecast

# Housing Research Center



- [Sign on Letter](#)
- Budget ask:  
\$250,000 FY 2025  
and \$750,000 FY  
2026 and each  
subsequent year
- [One-pager](#)



# Washington State Ferries

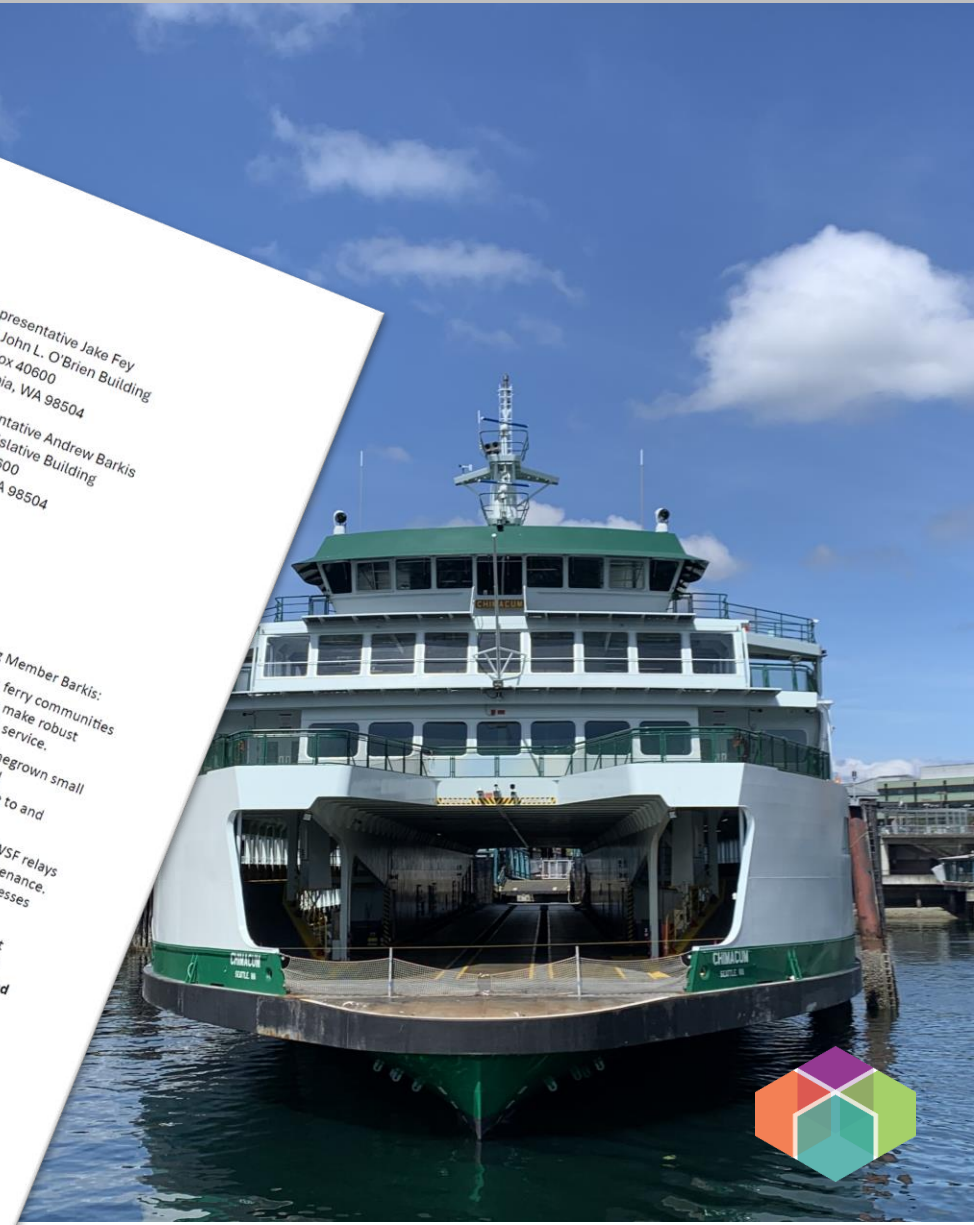
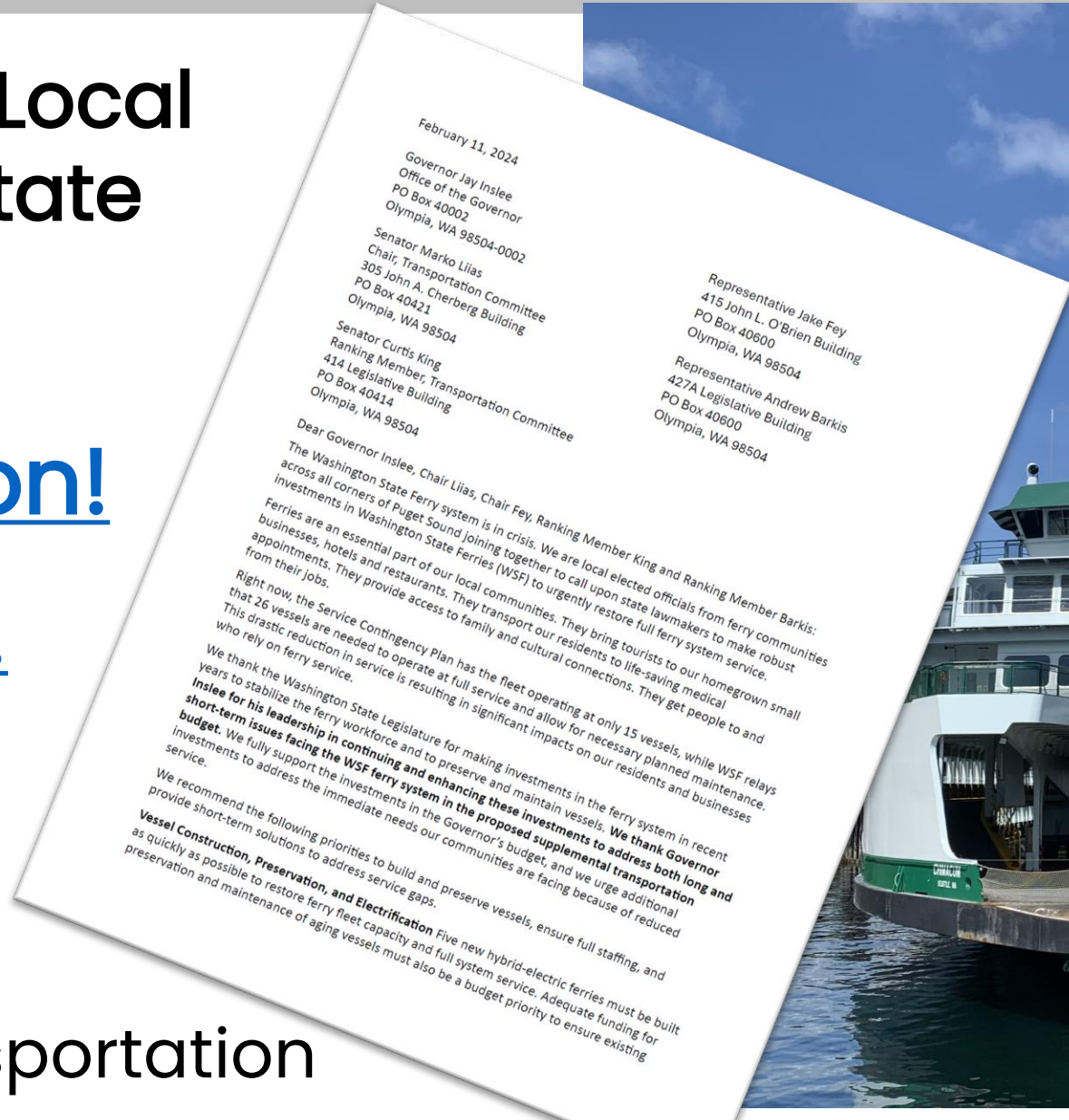
Fund Our Ferries Local  
Elected Official State  
Sign-on Letters

Federal Sign-on!

State Sign-on!

Next Meeting:  
March 14, 10-11:30

Senator Liias  
Chair, Senate Transportation



# Housing Subsidy



- **Real Estate Excise Tax [HB 1867](#)** (Ramel)  
Allows all counties to impose .05 real estate excise tax to create affordable housing.
- **Remove Exemption from Document Recording Fees [HB 1858](#)** (Scott)
- **Construction Sales Tax Exemption**
- **[HB 1717](#)** (Leavitt) **dead** / **[SB 5591](#)** (Bateman) **dead**  
Exempts affordable housing from the sales tax on construction materials.
- **Affordable Homes Act** **not introduced**  
Reforms Real Estate Transfer Tax, with revenue dedicated to affordable housing.



# Housing Stability

## Rent Stabilization

[HB 1217](#) (Alvarado) / [SB 5222](#) **dead** (Trudeau)

Limits rent increases to no more than 7 percent per year during

- Requires 6 months' notice for a rent increase of 3 percent or more
- Establishes fees count as rent for the purposes of calculating an increase
- Limits move-in fees to the equivalent of one month's rent or less
- Limits late fees to no more than 1.5% of the monthly rent



# Housing Supply: Subdivision & Lot Splitting

## Lot Splitting

[HB 1096](#) (Barkis)

Establishes a process for review and approval of administrative lot split and residential building permits for new single family or middle housing.

## Streamlining Subdivision Process

[SB 5559](#) (Lovelett)

Streamlining the subdivision process inside urban growth areas.



# Housing Supply: Transit-Oriented Development

## Promoting Transit Oriented Housing Development

### [HB 1491](#) (Reed)

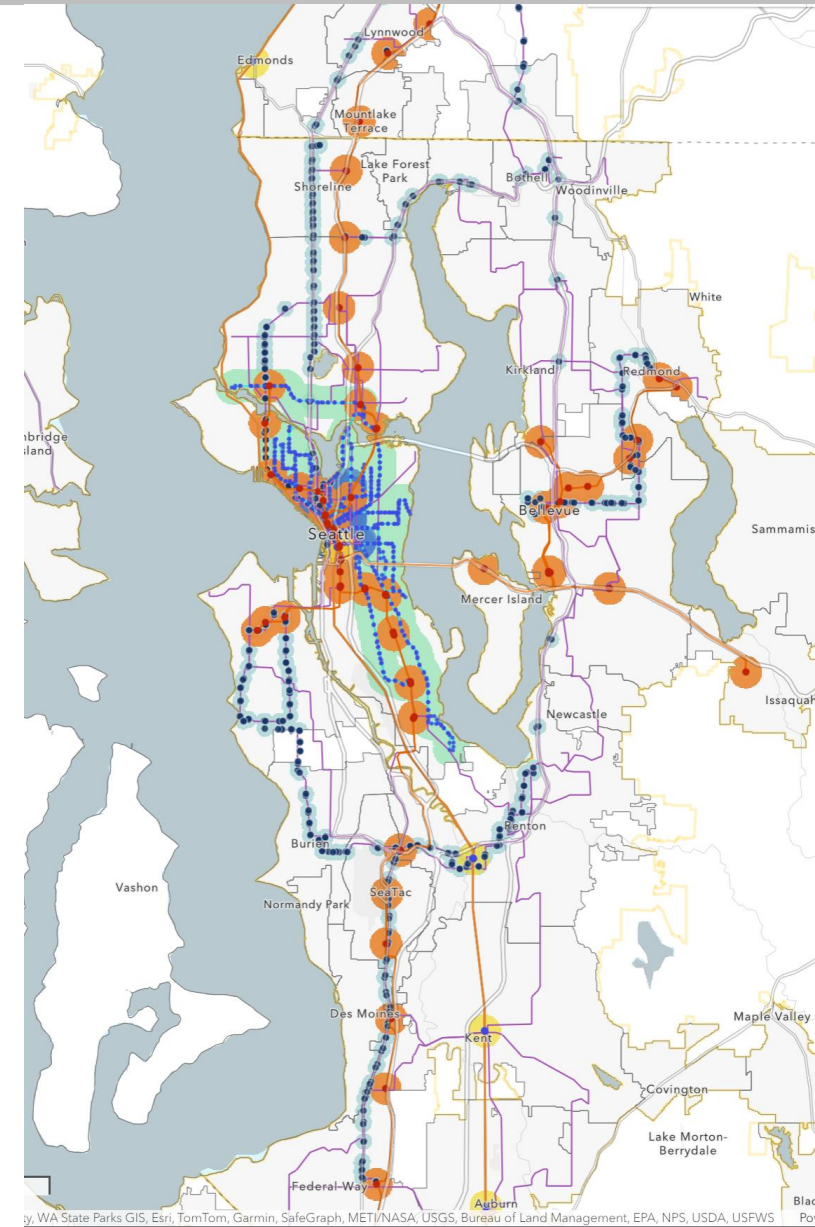
Creates density requirement in station areas

- 3.5 FAR w/in .5m of rail (.25m in cities <15,000 people)
- 2.5 FAR w/in .25m of BRT

## Promoting Transit Oriented Development

### [SB 5604](#) **dead** (Liias)

Allows jurisdictions to create MFTE program with 20-year tax exemption in station areas requiring 20% of units in building to be affordable for 50 years.



# Housing Supply: Multifamily Tax Exemption



## MFTE Adjustments

### [HB 1494](#) (Ramel)

- Allows additional cities and counties to offer MFTE
- Makes programmatic adjustments
- Allows sliding scale penalties for non-compliance (instead of cancelation)





# Housing Supply: Building Code

[HB 1183](#) (Duerr)

**Modifying Building Code**

Concerning building code and development regulation reform.

[HB 1254](#) (Duerr)

**Incorporating IWUIC**

Implementing the International Wildland Urban Interface Code.



# Housing Supply: Condominium Reform



## Simplifying Condo Construction [HB 1403](#) (Taylor)

- Establishes implied warranties for existing and newly constructed condominium units
- Clarifies the definition of "workmanlike manner"
- Modifies the dispute resolution process by mandating arbitration for certain claims



# Housing Supply: Limiting Speculation

## Limiting Excessive Home Buying

[HB 1732](#) **dead** (Thomas) /

[SB 5496](#) (Alvarado)

Limits purchase by businesses to 25 single-family homes and prohibits investment entities from purchasing single-family homes.



# Housing Supply: Parking Requirements



## Minimum Parking Requirements

[HB 1299](#) (Peterson) **dead** / [SB 5184](#)  
(Bateman)

Prohibits cities and counties from requiring:

- More than 0.5 parking space per residential unit
- More than 1 parking space per 1000 feet of commercial space
- Eliminates minimum parking requirements for several building types including affordable & senior housing and homes < 1200 sq ft



# Rural Accessory Dwelling Units

## DADUs Outside UGAs

### [HB 1345](#) (Low)

Establishing limits on DADUs outside UGAs.

### [SB 5470](#) (Goehner)

Establishing limits on DADUs outside UGAs.



# Compliance

[HB 1135](#) (Duerr)\*

## GMA Planning Compliance

Ensuring that local government planning complies with the GMA.

[SB 5197](#) (Salomon)\*

## GMA Planning Compliance

Ensuring that local government planning complies with the GMA.

\*HB 1135 and SB 5197 are very similar, but not companion bills

[HB 1235](#) (Peterson) **dead** / [SB 5148](#) (Bateman)

## GMA Housing Element Compliance

Creates a builders remedy for affordable housing, prohibiting a city or county from denying affordable housing development unless they have a compliant housing element.



# Housing and Shelter



## [HB 1380](#) (Gregerson)

### **Safe Spaces, Strong Communities Act**

Requires local laws that regulate utilization of public property be objectively reasonable.

## [HB 1195](#) (Peterson)/**SB 5497 dead** (Alvarado)

### **Permanent Supportive Housing**

Requires use of an administrative process to review & approve project permits for STEP housing. Requires Commerce to resolve disputes between a city or county and a project applicant.





# Thank You!

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Puget Sound Regional Council