



# Habitat for Humanity-Spokane Legislative Report

A summary of the bills that Habitat-Spokane tracked, passed and signed into law in the span of 2024-2025

## Habitat-Spokane Legislative Report

This document provides a summary of the bills that Habitat for Humanity-Spokane tracked during the legislative session and were ultimately passed and signed into law. Inclusion on this list does not imply organizational support; rather, these bills were identified as having potential implications for Habitat-Spokane's work.

*Prepared by Dana Le Roy, June 2025*

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# Homeowner Services

## HB 1696

**Bill Title:** Covenant Homeownership Program—Modification

**Bill Number:** Second Substitute House Bill 1696 (SSHB 1081)

**Effective Date:** July 27, 2025

## Summary

The bill **modifies** the **Covenant Homeownership Program** by:

- **Raising** the area median income (AMI) threshold for eligibility from **100% to 120%**.
- **Introducing loan forgiveness** for participants whose incomes are **at or below 80% of AMI** after 5 years.
- **Expanding and changing membership** of the oversight committee, especially emphasizing nonprofit housing counseling organizations.
- Adjusting administrative processes for oversight and reporting by the Department of Financial Institutions (DFI), the Department of Commerce, and the Washington State Housing Finance Commission (WSHFC).

## RCWs Affected

- **RCW 43.181.040** — Special purpose credit programs design and eligibility under the Covenant Homeownership Program.
- **RCW 43.181.050** — Structure, duties, and administration of the Covenant Homeownership Program Oversight Committee.

## Responsible Entity

- **Washington State Housing Finance Commission (WSHFC):** Implements and administers the loan and assistance programs.
- **Washington State Department of Financial Institutions (DFI):** Provides oversight, administrative support, and coordination.
- **Washington State Department of Commerce:** Provides support and reporting assistance.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Loan Forgiveness Policy:** Available for loans outstanding at least five years of the covenant homeownership program. This means the change is retroactive.

## Habitat Takeaway

- **Increased AMI for referrals:**  
Habitat's clients fall below 80% AMI, the ability to refer over-income applicants to this product can really help with referral success.
- **Loan Forgiveness:**  
Many Habitat families with incomes under 80% AMI could benefit from loan forgiveness after five years, making long-term homeownership more sustainable. NOTE: loan forgiveness is retroactive to the start of the covenant homeownership program.

## SB 5129

**Bill Title:** Common Interest Communities

**Bill Number:** SB 5129

**Effective Date:** July 27, 2025

## Summary

ESSB 5129 updates and unifies the laws governing **homeowners' associations (HOAs), condominiums, and cooperatives** in Washington State. It expands the application of the [Washington Uniform Common Interest Ownership Act \(WUCIOA\)](#) to older communities and simplifies rules for small associations.

## RCWs Affected

- Amends: RCW 64.32, 64.34, 64.38, 64.90
- Repeals outdated sections in the above chapters
- Adds new provisions to RCW 64.38
- Affects RCW 61.24.030 (foreclosure)

## New Uniform Rules:

- Applies **WUCIOA** rules (RCW 64.90) to older communities (pre-2018) starting **January 1, 2026**, with full implementation by **January 1, 2028**
- Allows small associations (up to 50 homes, <\$1,000 annual dues) to follow **simplified rules**
- Improves **governance transparency, reserve fund management, and homeowner protections**

## Responsible Entity

Enforcement is primarily a civil matter handled within the framework of the associations and, when necessary, through the court system.

## Implementation Timeline

- **July 27, 2025:** Most provisions take effect
- **January 1, 2026:** Core provisions for older HOAs become enforceable
- **January 1, 2028:** Full compliance required for all common interest communities

## Habitat Takeaway

### Benefits:

- Simplified rules for **small, low-dues communities** fit many Habitat neighborhoods
- Stronger **financial oversight and reserve funding rules** protect long-term housing quality
- Clearer **unit owner rights and board responsibilities** may reduce legal disputes

### Challenges:

- Habitat-sponsored HOAs will need to **revise governing documents**
- May require **legal and financial support** for low-income boards to comply
- Possible **cost increases** for reserve studies and insurance

## HB 1081

**Bill Title:** Solicited Real Property—Owner Protections

**Bill Number:** Substitute House Bill 1081 (SHB 1081)

**Effective Date:** July 27, 2025

## Summary

This new law establishes **consumer protections for property owners** who are approached by potential buyers (or their representatives) through unsolicited offers to purchase property that is not listed for sale. It mandates that such purchase agreements must include:

### 1. Right to Appraisal:

- Owners of solicited property may request an appraisal by a licensed appraiser (under RCW 18.140), at the buyer's expense.
- Appraisal must be ordered within **three business days** after the purchase contract is executed.

### 2. Right to Cancel:

- If the owner seeks an appraisal: they may cancel the contract **within four business days** of receiving the appraisal.
- If not seeking an appraisal: they may cancel **within 10 business days** of signing the contract.
- Cancellation can be sent via mail, email, telegram, or other written means.

### 3. Disclosure Requirements:

- Contracts must clearly state these rights in **10-point boldface type**, and sellers must acknowledge them in writing.

### 4. Exemptions:

- Transactions involving **licensed real estate brokers (RCW 18.85)** are exempt.

### 5. Consumer Protection:

- Violations are deemed **unfair or deceptive acts** under the **Consumer Protection Act (RCW 19.86)**.

## RCWs Affected

New chapter added to Title 61 RCW

### Other RCWs Referenced:

- RCW 18.140 (Licensing of Appraisers)
- RCW 18.85 (Real Estate Brokers)
- RCW 64.04.220 (Real Estate Conveyances)
- RCW 19.86 (Consumer Protection Act)

## Responsible Entity

- **Washington State Department of Licensing (DOL):** Oversees the regulation and licensing of real estate appraisers and brokers.
- **Washington State Attorney General's Office:** Enforces violations under the Consumer Protection Act (RCW 19.86).

## Implementation Timeline

- **Law Effective:** July 27, 2025

- **Applies to Transactions Executed On or After:** January 1, 2026

## Habitat Takeaway

- Habitat for Humanity Spokane should inform inquiring homeowners of their rights under this new law.

## HB 1191

**Bill Title:** Mobile and Manufactured Homes—Removing Vehicle Titles

**Bill Number:** Engrossed House Bill 1191

**Effective Date:** October 15, 2025

## Summary

Engrossed House Bill 1191 revises procedures governing the legal classification of manufactured (mobile) homes in Washington State. Specifically, the law simplifies the process for removing vehicle titles from manufactured homes, allowing them to be treated as real property when affixed to land. The bill clarifies how title elimination, consent for removal, and ownership transfer must occur, and outlines responsibilities for homeowners, lenders, and state agencies.

## RCWs Affected

- RCW 65.20.020 – Definitions
- RCW 65.20.030 – Real property classification and transfer
- RCW 65.20.050 – Department of Licensing approval and recording requirements
- RCW 65.20.060 – Obligations of owners and secured parties
- RCW 65.20.070 – Procedures for removal and reissuance of title
- **Referenced:** RCW 46.12 (Vehicle titles and registrations)

## Responsible Entity

- **Washington State Department of Licensing (DOL)**  
Responsible for reviewing and approving title elimination applications, verifying county recording of documents, canceling titles, and maintaining vehicle identification records.
- **County Auditors**  
Required to record approved documentation that eliminates vehicle titles and classifies manufactured homes as real property.

## Implementation Timeline

- **Effective Date:** October 15, 2025
- No phased implementation or delayed enforcement is specified in the legislation.

## Habitat Takeaway

- **Financing Flexibility:** Lenders often require homes to be real property for mortgage approval; this bill facilitates compliance with such requirements.

## HB 1858

**Bill Title:** Document Recording Charges—Assignments or Substitutions of Deeds of Trust

**Bill Number:** HB 1858

**Effective Date:** July 27, 2025

## Summary

House Bill 1858 removes the exemption for *assignments or substitutions of previously recorded deeds of trust* from:

1. The **\$100 Covenant Homeownership Program Assessment** (RCW 36.22.185)
2. The **\$183 Document Recording Surcharge** (RCW 36.22.250)

These instruments must now pay both the assessment and surcharge, aligning them with most other recorded documents.

## RCWs Affected

- **RCW 36.22.185** – Covenant Homeownership Program Assessment
- **RCW 36.22.250** – Document Recording Surcharge Distribution

## Responsible Entity

- **County Auditors (Local)** – Responsible for collecting fees at the time of document recording.
- **Washington State Department of Commerce** – Administers programs funded by these surcharges, such as:
  - Home Security Fund (RCW 43.185C.060)
  - Affordable Housing for All Account (RCW 43.185C.190)
  - Landlord Mitigation Program (RCW 43.31.615)

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Fee collection changes** must be in place by this date.

## Habitat Takeaway

### Potential Financial Impacts:

- **Increased costs** related to recording assignments or substitutions of deeds of trust for property transactions may apply if Habitat Spokane engages in post-closing document corrections or secondary financing transactions.

## SB 5298

**Bill Title:** Manufactured/Mobile Home Communities – Notice of Sale or Lease

**Bill Number:** SB 5298

**Effective Date:** Standard effective date (likely July 27, 2025, unless otherwise specified)

## Summary

SB 5298 strengthens and expands the notification and procedural rights for tenants of manufactured/mobile home communities when the owner intends to sell or lease the property. It mandates an opportunity for tenants or eligible organizations to compete to purchase the property and imposes new requirements for timely, inclusive notice to relevant public agencies and tenant bodies.

### Key provisions include:

- Repeal of RCW 59.20.300.
- Amendments to RCW 59.20.325 and RCW 59.20.335.
- Requirement that owners notify all tenants, qualified tenant organizations, the Department of Commerce, local governments, local housing authorities, and the Washington State Housing Finance Commission before listing the community for sale.
- Creation of a structured timeline allowing tenants or eligible nonprofits 70 days to express purchase interest, with a 20-day period to request financial data.
- Ongoing seller obligation to update the Department of Commerce every six months on the status of the sale.

## RCWs Affected

- **Amended RCWs:**
  - RCW 59.20.325 – Opportunity to Compete to Purchase
  - RCW 59.20.335 – Good Faith Negotiation and Enforcement
- **Repealed RCW:**
  - RCW 59.20.300 – Previous Notice Requirement

## Responsible Entity

- **Lead Agency:**
  - **Washington State Department of Commerce:** Receives statutory notices, publishes sale updates, and provides educational materials for tenant purchase efforts.
- **Other Affected Entities:**
  - Local governments (city/county level)
  - Local housing authorities
  - Washington State Housing Finance Commission

## Implementation Timeline

- **Effective Date:** Presumed to be July 27, 2025 (90 days after session adjournment), unless otherwise designated.
- **Notice Deadlines and Milestones:**
  - 10-day staggered notice requirement to agencies following tenant notification.
  - 70 days for tenant organization formation and interest notification.

- 20-day request window for financial information.

## Habitat Takeaway

### Opportunities:

- May participate as an “eligible organization” in the competitive purchase process of manufactured home communities.
- Potential for new partnerships with tenant organizations to preserve affordable housing.
- Aligns with Habitat’s goals of long-term ownership and community stabilization.

### Considerations:

- Must act within statutory timelines to express interest and coordinate with tenants.
- Required to handle confidential financial information and adhere to good faith negotiation standards.
- Possible administrative and legal coordination with public agencies and tenant associations.

## SB 5480

**Bill Title:** Medical Debt—Consumer Credit Reporting

**Bill Number:** SB 5480

**Effective Date:** July 27, 2025

## Summary

Engrossed Substitute Senate Bill 5480 prohibits health care providers, hospitals, and collection agencies from furnishing information about **medical debt** to consumer credit reporting agencies. If reported, the debt is considered **void and unenforceable**. The legislation also categorizes such actions as **unfair or deceptive practices** under the **Consumer Protection Act (RCW 19.86)**.

## RCWs Affected

- **RCW 19.16.100** – Redefines “medical debt” under collection agency law.
- **RCW 19.16.250** – Expands prohibited debt collection practices to include medical debt reporting.
- **RCW 19.182.040** – Prohibits inclusion of medical debt in consumer credit reports.
- **RCW 70.41.400** – Restricts hospitals from reporting medical debt and mandates patient billing transparency.
- **RCW 70.54.005** – Clarifies the Department of Health’s authority.
- **New Section to RCW 70.54** – Declares medical debt unenforceable if reported to credit agencies.

## Responsible Entity

- **Washington Department of Health** – Regulatory oversight of hospitals and medical providers.
- **Department of Licensing** – Regulates collection agencies.
- **Office of the Attorney General** – Enforcement under the Consumer Protection Act.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Compliance Required Immediately Upon Effective Date:** No phase-in period is specified.

## Habitat Takeaway

- **Expanded Applicant Pool:** Families with prior medical debt may see improvements in credit eligibility, making more households potentially eligible for Habitat’s homeownership programs.
- **Improved Financial Stability:** Reduced pressure from medical collections may support long-term mortgage sustainability for low-income homeowners.
- **Compliance Considerations:** If Habitat operates or partners with any clinics or provides reimbursable medical-related services (e.g., through housing support programs), policies must align with the non-reporting mandate.

## SB 5686

**Bill Title:** Expanding and funding the foreclosure mediation program

**Bill Number:** SB 5686

**Effective Date:** July 1, 2025

## Summary

E2SSB 5686 expands the Foreclosure Fairness Act to cover common interest community foreclosures initiated by homeowners' associations (HOAs). It integrates housing counselors into pre-foreclosure efforts for HOA assessments, establishes new mediation procedures, modifies notice requirements for associations, and introduces a new \$80 foreclosure prevention fee on residential mortgage loans.

## RCWs Affected

- **Amended:** RCW 61.24.005, 61.24.163, 61.24.165, 61.24.172, 64.32.200, 64.34.364, 64.38.100, 64.90.485, 64.32.170, 64.34.372, 64.38.045, 64.90.495
- **New Sections Added:** Several new provisions to chapter 61.24 RCW

## Responsible Entity

**Washington State Department of Commerce** – tasked with:

- Administering the mediation program
- Collecting and managing the foreclosure prevention fee
- Providing an annual report to the Legislature
- Publishing educational and translated resources

## Implementation Timeline

- **Effective Date:** July 1, 2025 (implied based on fiscal year revenue reporting starting July 1, 2025)
- **Report Deadline:** First legislative report due by December 31, 2025
- **Foreclosure Prevention Fee Collection Begins:** Upon loan closings from July 1, 2025

## Habitat Takeaway

### Positive Impacts:

- **Increased Access to Mediation:** Homeowners in Habitat-built properties governed by HOAs may now access state-supported housing counselors and mediation to avoid foreclosure due to missed assessments.
- **Improved Due Process Protections:** New notice requirements and delays before initiating foreclosure actions offer more protection for financially vulnerable homeowners, aligning with Habitat's mission to support sustainable homeownership.
- **Public Awareness and Education:** Required outreach and multilingual resources may help Habitat clients better understand and navigate association-related financial obligations.

### Potential Challenges:

- **Administrative Burden:** Habitat affiliates acting as HOAs (or partnering with them) may face new compliance obligations regarding notices, mediation requests, and record-keeping.

- **Cost of Foreclosure Prevention Fee:** Although modest (\$80), this new fee applies to nearly all residential mortgage closings (excluding reverse mortgages), potentially increasing upfront loan costs for new Habitat homebuyers.



# Construction/Development

## HB 1403

**Bill Title:** Condominium Construction—Construction Defects And Warranties

**Bill Number:** HB 1403

**Effective Date:**

- Most provisions: 90 days after adjournment of session (approx. late July 2025)
- Sections 3 & 6 take effect January 1, 2028
- Sections 2 & 5 expire January 1, 2028

## Summary

EHB 1403 simplifies Washington's condominium construction statutes to increase homeownership opportunities. It clarifies and amends warranty obligations for condominium units, especially those in smaller-scale buildings, and creates flexibility for developers by allowing alternatives to certain warranty liabilities.

**Key Provisions:**

- Updates and expands **RCW 64.90.670**, detailing implied warranties that a condominium unit and its common elements:
  - Are free from defective materials.
  - Meet building code and industry standards at the time of permit approval.
  - Are constructed in a workmanlike manner (defined explicitly).
- Introduces **express warranty alternatives** (with insurance requirements) for smaller condominium buildings (12 or fewer units), particularly:
  - Accessory dwelling units (ADUs).
  - Two-story or three-story buildings with parking/retail components.
- Adjusts **RCW 64.55.005, 64.55.010**, and related sections to exclude certain small-scale condominiums from the full requirements of multiunit residential building law.
- Reenacts overlapping amendments (due to changes in other 2024 legislation) with new effective and expiration dates.

## RCWs Affected

- RCW **64.90.670, 64.90.675, and 64.90.680**: Implied and express warranty statutes for condominiums.
- RCW **64.55.005, 64.55.010, and 64.90.010**: Applicability of multiunit residential building regulations and definitions.
- RCW **64.34.415, 64.90.620** (via references): Remedies and warranty enforcement.

## Responsible Entity

- **Washington State Department of Licensing** (regulation of architects and engineers for stamped building enclosure designs).
- **Local building departments** (permitting and compliance verification).
- **Judicial system** (enforcement through warranty claims and disputes).

## Implementation Timeline

- **Effective immediately** for most updates upon standard enactment (90 days post-session).
- **Delayed implementation for alternate provisions:**
  - Sections **3 and 6** (refinements and updates to RCW 64.55.005 and 64.55.010) **take effect January 1, 2028**.
  - Sections **2 and 5** (interim amendments) **expire January 1, 2028**, making way for the updated sections.

## Habitat Takeaway

### Positive Impacts:

- **Simplified warranty liability** for small-scale projects could **lower legal risk and construction costs** for Habitat developments under 12 units.
- Ability to offer **express warranties with insurance** provides **an alternative to complex implied warranty statutes**, making affordable housing construction more feasible.
- **Exemptions for ADUs** and certain small structures **align with Habitat's typical scale and community-driven housing models**.

### Considerations:

- **Insurance requirements** for express warranties must be budgeted and managed appropriately, possibly adding administrative complexity.
- Habitat must ensure that **developers, declarants, and contractors understand the updated standards** to avoid warranty litigation or project approval delays.
- Long-term planning should incorporate the **2028 sunset and enactment dates** for certain provisions to maintain compliance.

## HB 1516

**Bill Title:** Permanently Affordable Homeownership Units—Construction Defect Liability—Insurance Coverage Study

**Bill Number:** HB 1516

**Effective Date:** June 30, 2025

## Summary

This bill directs the Office of the Insurance Commissioner (OIC) to conduct a study exploring insurance coverage options and cost reduction strategies for construction defect liability associated with permanently affordable homeownership units. The aim is to make such units more financially sustainable and insurable without compromising coverage quality.

## RCWs Affected

- **RCW 43.01.036** – Reporting requirement for state agencies to the legislature.
- **RCW 43.185A.010** – Definition of "affordable housing."
- **RCW 48.02.190** – Insurance commissioner's regulatory account (funding source).
- **RCW 64.90.010** – Definitions relating to limited equity cooperatives.

## Responsible Entity

- **Washington State Office of the Insurance Commissioner**  
This agency is tasked with conducting the study, collecting data, engaging stakeholders, and delivering recommendations to the Legislature.

## Implementation Timeline

- **Effective Date:** Upon funding approval in the omnibus appropriations act by **June 30, 2025**. If not funded, the act is void.
- **Report Due: December 31, 2026** – Findings and recommendations must be submitted to legislative committees.
- **Expiration Date of the Act: December 31, 2027**

## Habitat Takeaway

- **Relevance:** As a nonprofit that develops **permanently affordable homeownership units**, Habitat for Humanity Spokane is directly within the scope of this study.
- **Potential Benefits:**
  - May gain **access to lower-cost or tailored insurance options** for condominium construction liability, improving project affordability.
  - Could help shape insurance policy frameworks if engaged as a stakeholder during the study consultation process.
- **Actionable Opportunities:**
  - Proactively engage with the Office of the Insurance Commissioner as a consulted entity.
  - Provide data and insight into construction practices and insurance challenges for permanently affordable homes.
- **Long-Term Effect:** Findings may lead to structural insurance reforms or new products that reduce risk premiums for similar projects, enhancing long-term financial sustainability and affordability.

## HB 1722

**Bill Title:** Secondary Career and Technical Education—Modifying State Restrictions

**Bill Number:** HB 1722

**Effective Date:** July 27, 2025

## Summary

House Bill 1722 removes or revises state-level restrictions that prevent 16- and 17-year-old students from participating in certain career and technical education (CTE) programs and professions. The law primarily targets rules that are not federally mandated and unnecessarily restrict students from enrolling in training, testing for certifications, or beginning work in fields for which they are qualified.

## RCWs Affected

- **RCW 18.73:** Emergency medical services training
- **RCW 43.43:** Fire protection training and certification policy
- **RCW 49.12:** Youth employment standards, specifically concerning occupational safety and exposure to infectious agents

## Responsible Entity

- **Washington State Department of Health:** Must allow certain EMS training for qualified 16-year-olds.
- **Office of the State Fire Marshal (under the Washington State Patrol):** Must assess and revise age-related policies for fire services training and report to the legislature.
- **Department of Labor & Industries:** May not prohibit minors from certain occupations based on exposure risks if the minor is licensed or certified.

## Implementation Timeline

- **July 27, 2025:** The law takes effect.
- **By October 1, 2025:** The Director of Fire Protection must report to the legislature on policy changes and recommendations for improving opportunities in the fire service sector.

## Habitat Takeaway

- **Workforce Development Opportunities:** HB 1722 could expand the pool of qualified young individuals eligible for technical roles in construction
- **Volunteer and Training Programs:** Habitat Spokane could incorporate more 16- and 17-year-old participants into on-site training and volunteer roles if they hold relevant certifications.
- **Compliance Considerations:** If engaging minors in construction-related tasks, the organization must ensure that students meet licensing and training requirements under the updated RCW provisions.

## HB 1096

**Bill Title:** Residential Lot Splitting

**Bill Number:** House Bill 1096

**Effective Date:** 2027 comprehensive plan update deadline

## Summary

This act creates a simplified administrative process for splitting residential lots, allowing for the creation of one additional buildable lot per parent parcel without public hearings or discretionary design review, subject to clear conditions, including:

- No more than one new lot per split.
- Minimum lot size requirements.
- Located in residential zones.
- Provision of sewer, water, and access.
- Mitigation of renter displacement, if applicable.
- Recordation of survey with prohibition on further splits of the same parcels.
- Exclusions for critical areas and sole-source aquifers on Puget Sound islands.

## RCWs Affected

- **Amends:** RCW 36.70A.635
- **Adds:** New section to RCW 58.17 (Platting and Subdivisions)

## Responsible Entity

- **Department of Commerce:** Tasked with developing implementation guidance for cities.
- **Local Agencies:** City planning departments are the primary implementers, responsible for creating administrative procedures to approve lot splits.

## Implementation Timeline

- **Responsible Entities:**
  - City Planning Directors or their designees administer approvals.
  - Cities must adopt ordinances and amend development and zoning regulations.
- **Implementation Timeline:**
  - **Cities with a 2027 comprehensive plan update deadline** must implement changes **by 2027**.
  - **All other affected cities** must comply **within two years of the effective date** of the act.
- **Rulemaking Requirement:**
  - Yes. The **Department of Commerce** is required to develop **implementation guidance**.
  - Cities must adopt or amend development regulations accordingly.

## Habitat Takeaway

### Opportunities:

- **Increased Infill Development Options:** The new lot splitting process could allow Habitat for Humanity Spokane to acquire and develop smaller parcels in existing neighborhoods, potentially lowering land costs and enabling more affordable housing units.

- **Streamlined Process:** Administrative approvals without public hearings can reduce permitting timelines and associated costs for projects.

**Strategic Considerations:**

- **Monitoring Local Ordinance Updates:** Habitat for Humanity Spokane should closely follow how Spokane city implements this law to identify lots eligible for splitting and development.
- **Partnerships with Cities:** Potential collaboration with city planners to ensure projects align with new regulations and to advocate for housing needs.

**Status Contingency:**

Section 4 stipulates that **funding must be provided in the 2025 omnibus appropriations act**. If funding is not provided by **June 30, 2025**, the act becomes **null and void**.

**HB 1183****Bill Title:** Building Codes and Development Regulations—Various Provisions**Bill Number:** Second Substitute House Bill 1183 (2SHB 1183)**Effective Date:** July 27, 2025

## Summary

This law reforms various development and zoning regulations to encourage affordable, energy-efficient housing development and reuse of existing buildings. Key changes include:

1. **Relaxation of setback, height, and floor area calculations** for retrofits and new construction of residential buildings, especially those meeting *Passive House* standards.
2. **Limitations on city/county authority** to restrict residential use of existing commercial/mixed-use buildings, including limits on:
  - Density caps,
  - Parking requirements,
  - Permitting/design standards,
  - Setback and modulation rules.
3. **Allowance of solar energy panels** to extend roof height limits by up to 48 inches.
4. **Prohibition on mandatory off-street parking** for certain types of residential development unless proven necessary by a certified study.
5. **Unit size protections for affordable housing**, ensuring they are not required to exceed:
  - 400 sq ft (studio),
  - 550 sq ft (1-bedroom),
  - 750 sq ft (2-bedroom),
  - 1,000 sq ft (3-bedroom).

## RCWs Affected

- **RCW 35.21.990**
- **RCW 35A.21.440**
- **RCW 36.70A.620**
- New sections added to **Chapter 36.70A RCW** (Growth Management Act)

## Responsible Entity

- **Local Governments (Cities and Counties):** Responsible for adopting changes in zoning, permitting, and building standards.
- **Washington State Department of Commerce:** Responsible for reviewing and certifying transportation/parking studies submitted by jurisdictions seeking to override parking requirement limitations.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Mandated Local Action:** Local jurisdictions must incorporate the changes into their regulations by the earlier of:
  - Six months after their next periodic comprehensive plan update under RCW 36.70A.130, or
  - Six months after their next implementation progress report.

## Habitat Takeaway

### Positive Impacts:

- **Increased Development Flexibility:** Easier to retrofit or construct affordable housing units by relaxing setbacks, height, and design standards.
- **Cost Reductions:** Elimination of off-street parking mandates and design modulations can lower overall development costs.
- **More Units Possible:** Allows up to 50% more housing density within existing building envelopes, ideal for adaptive reuse projects.
- **Support for Passive House:** Habitat builds to energy efficiency standards; incentives for passive house design will align well with existing goals.

### Considerations:

- **Regulatory Updates Needed:** Habitat Spokane will need to track how Spokane County and the City of Spokane update local codes to align with these new state mandates.
- **Project Design Coordination:** New flexibility in unit sizing and design should be reviewed for integration into ongoing and future projects.

## HB 1304

**Bill Title:** Boundary Review Boards: Notice of Intention Effective Filing Date

**Bill Number:** HB 1304

**Effective Date:** July 27, 2025

## Summary

House Bill 1304 amends RCW 36.93.100 and adds a new section to chapter 36.93 RCW to clarify when a notice of intention (NOI) submitted to a Boundary Review Board (BRB) is considered effectively filed. The bill establishes that the effective filing date is either:

1. The date the chief clerk of the BRB determines the NOI is sufficient, or
2. The date the NOI is deemed sufficient by default if no determination is made within the specified time frame.

Key procedural changes include:

- The chief clerk must determine sufficiency within 30 calendar days after receiving the NOI and filing fee.
- If insufficient, the NOI must be returned for correction; corrected notices must be reviewed within 14 days.
- If no action is taken within the deadlines, the NOI is automatically deemed sufficient.

## RCWs Affected

- **RCW 36.93.100** — Amended to adjust timelines and clarify the board's jurisdiction review window based on the effective filing date.
- **New Section Added to Chapter 36.93 RCW** — Defines effective filing dates and procedures related to sufficiency determinations.

## Responsible Entity

- **Boundary Review Boards (County-level entities)** — Specifically, the **chief clerk** of each BRB is responsible for reviewing and certifying the sufficiency of Notices of Intention.

## Implementation Timeline

- Effective Date of Law: July 27, 2025
- No additional phased implementation timelines were specified.

## Habitat Takeaway

Habitat for Humanity Spokane may benefit from the streamlined and predictable review timeline for boundary-related actions (e.g., annexations or utility service extensions), especially when planning developments in fringe or unincorporated areas. Key implications include:

- **Improved project planning certainty:** Faster determination of the sufficiency of NOIs reduces delay risks.
- **Clear deadlines for local governments:** Encourages timely processing of boundary changes that may affect land availability or utility connections.
- **Greater efficiency for proposed developments:** Particularly valuable when Habitat works with municipalities or special purpose districts on housing projects requiring service extensions or boundary adjustments.

No direct mandates or burdens on Habitat for Humanity Spokane are introduced, but the procedural clarity may facilitate smoother engagement with local government on growth-related processes.

## HB 1757

**Bill Title:** Modifying Regulations for Residential Use of Existing Buildings

**Bill Number:** HB 1757

**Effective Date:** July 27, 2025

## Summary

House Bill 1757 reduces regulatory barriers to adding housing units within existing buildings in Washington cities. The law mandates that by June 30, 2026, all cities must amend their zoning and development regulations to permit residential conversions and density increases (up to 50%) in buildings located in multifamily, commercial, or residential zones. It prohibits local governments from imposing additional parking, design, or permitting burdens on such projects and offers limited exemptions from state energy code requirements. The bill aims to support infill housing development, reduce conversion costs, and streamline the reuse of underutilized buildings for residential purposes.

### Key Provisions

- **Density Flexibility:** Allows up to 50% more housing units within the existing envelope of multifamily buildings.
- **Permitting Streamlining:** Limits cities from requiring excessive permitting for residential conversion of existing buildings.
- **Parking Relief:** Prohibits imposing new parking requirements on added units (except to preserve existing required parking).
- **Energy Code Modifications:** Only newly changed portions of buildings must comply with current energy codes, under specific exemptions.
- **Design Standards Limits:** Bars additional design or architectural standards unless related to safety or historical preservation.
- **Permit Protections:** Prevents denial of permits based on existing nonconformities unless justified in writing.
- **Environmental Review Exemption:** Exempts additional units from triggering new SEPA or transportation concurrency studies.

## RCWs Affected

- **RCW 35A.21.440**
- **RCW 35.21.990**

These statutes govern municipal authority in both code cities and non-code cities regarding development regulations.

## Responsible Entity

- **Local Governments (Cities and Code Cities):**  
Required to revise zoning and development regulations to align with the new law.
- **City Departments of Planning and Building:**  
Enforce implementation of new housing unit allowances, permitting requirements, and code compliance provisions.

## Implementation Timeline

- **Local Ordinance Updates Required By: June 30, 2026**
  - Cities must adopt compliant ordinances by this date.

- **Automatic Preemption Clause:**  
If a city fails to comply by the deadline, the state law provisions automatically apply and override any conflicting local rules.

## Habitat Takeaway

### Opportunities:

- **Adaptive Reuse Projects:** Easier and more cost-effective to convert existing buildings into affordable housing.
- **Cost Savings:** Reduced need for energy retrofits, new parking infrastructure, or complex permitting processes.
- **Streamlined Development:** Less red tape when repurposing underutilized properties into residential units.

### Considerations:

- **Local Compliance Delays:** May face inconsistent implementation across jurisdictions until mid-2026.
- **Energy Reporting Requirements:** When exemptions don't apply, Habitat may need technical support for energy use documentation under RCW 19.27A.210.

## HB 1935

**Bill Title:** Local Government Project Review—Building Permits

**Bill Number:** HB 1935

**Effective Date:** July 27, 2025

## Summary

- 1. Exclusion of Building Permits from “Project Permit” Definition:**  
Building permits are now explicitly excluded from the definition of a “project permit” or “project permit application.” This narrows the scope of permits subjected to consolidated project review under Chapter 36.70B RCW.
- 2. Expanded Authority to Exclude Certain Permits:**  
Local governments may now, by ordinance or resolution, exclude building and other construction permits from specific procedural requirements (e.g., RCW 36.70B.060 through .080 and .110 through .130), particularly if they are categorically exempt from SEPA review or have already undergone such review.
- 3. Mandatory Exclusion of Certain Interior Alterations:**  
Local governments must exclude interior alterations from site plan review if they:
  - Don’t add sleeping quarters or bedrooms,
  - Don’t trigger FEMA substantial improvement thresholds, and
  - Don’t require enhanced fire access/suppression due to size or valuation increases.

## RCWs Affected

- **RCW 36.70B.020:** Definition updates for "project permit" and "project permit application."
- **RCW 36.70B.140:** Modifications to allow exclusions from project permit review processes under specified conditions.

## Responsible Entity

- **Local Governments (Cities, Towns, Counties):** The bill explicitly modifies definitions and procedures relevant to local government entities responsible for land use permitting and planning review processes.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Immediate Implementation:** No phased implementation is indicated. Local governments will need to revise ordinances and administrative procedures to align with the updated definitions and exclusions by the effective date.

## Habitat Takeaway

### Positive Impacts:

- **Faster Review Timelines:** Building permits are no longer subject to project permit procedures under RCW 36.70B. This could streamline permit approvals for new homes or renovations.
- **Exemption for Interior Work:** Projects focused on interior improvements that don't expand building footprints or add bedrooms—such as rehabilitations—may avoid time-consuming site plan reviews.

**Operational Considerations:**

- **Monitoring Local Ordinance Updates:** Habitat for Humanity Spokane should track how Spokane and Spokane County modify local permit processing ordinances to reflect the new authority and requirements granted by SHB 1935.
- **Coordination with Local Jurisdictions:** Early engagement with planning departments may help leverage the new efficiencies and ensure alignment for upcoming construction or renovation projects.

## SB 5184

**Bill Title:** Parking Reform and Modernization Act

**Bill Number:** ESSB 5184

**Effective Date:** July 27, 2025

## Summary

- Establishes **maximum parking requirements** for residential and commercial developments:
  - 0.5 spaces per multifamily unit
  - 1 space per single-family home
  - 2 spaces per 1,000 sq. ft. of commercial space
- **Exempts** several categories from minimum parking requirements:
  - Homes < 1,200 sq. ft.
  - Commercial spaces < 3,000 sq. ft.
  - Affordable and senior housing
  - Licensed child care centers
  - Ground-floor commercial in mixed-use buildings
  - Buildings changing use (e.g., commercial to residential)
- **Allows cities/counties** to:
  - Require more accessible parking for ADA compliance
  - Apply for variances based on safety
  - Retain existing policies if deemed "substantially similar" by Commerce
- **Exemptions:** Jurisdictions under 30,000 in population and areas within 1 mile of major airports.

## RCWs Affected

- Adds new sections to:
  - RCW 35.21 (First-class cities)
  - RCW 35A.21 (Code cities)
  - RCW 36.01 (Counties)
  - RCW 19.27 (State Building Code)
- Repeals RCW 36.70A.620

## Responsible Entity

- **Cities, Code Cities, and Counties:** Must update local development and zoning codes.
- **Washington State Department of Commerce:** Reviews studies and variance requests for exemptions or compliance certifications.
- **State Building Code Council:** Tasked with researching and potentially updating rules on accessible parking requirements.

## Implementation Timeline

- **Cities and counties with a population ≥ 50,000:** Must implement changes within **18 months** of the effective date.
- **Cities and counties with population between 30,000 and 50,000:** Must implement changes within **3 years**.

- **Effective Date:** Not explicitly stated, but presumed to be the standard 90 days after session adjournment unless otherwise specified.

## Habitat Takeaway

### Positive Impacts:

- **Cost Reduction:** Lower or eliminated parking minimums for affordable housing developments will reduce project costs and land-use inefficiencies.
- **Design Flexibility:** Smaller residential units (under 1,200 sq. ft.) typical of Habitat's portfolio may qualify for **zero required parking**, expanding infill and urban development opportunities.
- **Streamlined Approvals:** By reducing parking mandates, local permitting processes may become faster and more predictable.

### Operational Considerations:

- Projects in jurisdictions with populations over 30,000 must monitor local compliance timelines.
- If Habitat for Humanity Spokane operates near an airport or in exempt jurisdictions, the law may not immediately apply, requiring site-specific legal review.

## SB 5494

**Bill Title:** Lead-Based Paint—Renovation, Repair, And Painting Program—Department Of Commerce

**Bill Number:** SB 5494

**Effective Date:** July 27, 2025

## Summary

Substitute Senate Bill 5494 significantly updates Washington State's lead-based paint regulatory framework. The legislation amends, adds, and repeals sections of Chapter 70A.420 RCW to create a more comprehensive and enforceable lead-based paint Renovation, Repair, and Painting (RRP) program administered by the Washington State Department of Commerce.

## RCWs Affected

- **Amended RCWs:**
  - RCW 70A.420.010
  - RCW 70A.420.020
  - RCW 70A.420.040
  - RCW 70A.420.050
  - RCW 70A.420.060
  - RCW 70A.420.070
  - RCW 70A.420.080
  - RCW 70A.420.090
- **New RCW Section Added:**
  - New section to Chapter 70A.420 RCW establishing the state RRP program.
- **RCW Repealed:**
  - RCW 70A.420.030 (Certification and training—Local governments—Rules)

## Responsible Entity

- **Primary Agency:** Washington State Department of Commerce
- **Enforcement Authority:**
  - The Department of Commerce is authorized to administer, enforce, and set rules for the state's lead-based paint training, certification, and renovation programs.
  - The Department may also delegate implementation components to other state agencies, local governments, or private entities.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Rulemaking Requirement:** Yes
  - The Department of Commerce is directed to adopt rules consistent with or more protective than federal standards as set forth in the Toxic Substances Control Act and related federal regulations.
- **Reporting:** The Department must submit a biennial report to the legislature covering program status, costs, and certifications issued.

## Habitat Takeaway

### Positive Implications:

- May access certified workers for safe lead-based paint abatement, increasing safety for volunteers and future homeowners.
- Better clarity and oversight on compliance may reduce long-term liability associated with older housing stock.

### Challenges:

- Increased administrative and operational costs to ensure compliance with training, certification, and work practice requirements.
- Potential delays or increased project timelines if certified firms or workers are not readily available.
- Necessity to assess and potentially certify in-house staff or subcontractors engaged in renovation work.

### Recommendations:

- Begin early review of internal practices to ensure readiness for compliance by the effective date.
- Explore partnerships with certified firms or initiate staff training through accredited programs to meet new legal standards.
- Monitor the Department of Commerce's rulemaking process to provide feedback or adjust operations accordingly.

## SB 5559

**Bill Title:** Streamlining the Subdivision Process Inside Urban Growth Areas

**Bill Number:** SB 5559

**Effective Date:** Jurisdictions with 2027 comprehensive plan updates must comply during that cycle.

## Summary

Engrossed Senate Bill 5559 simplifies the process for subdividing residential properties within Washington's urban growth areas. It updates definitions and procedures for short subdivisions and formally recognizes unit lot subdivisions, commonly used in townhome-style developments. The bill requires cities and towns planning under the Growth Management Act to update local ordinances with streamlined, objective design and permitting standards. This legislation is expected to reduce permitting times, increase housing flexibility, and support higher-density, affordable housing development. It may benefit organizations like Habitat for Humanity Spokane by enabling more efficient development of affordable homes on smaller lots.

## Key Provisions

- **Short Subdivisions:** Expands definition to include up to nine parcels in urban growth areas.
- **Unit Lot Subdivisions:**
  - Allows parent lots to be subdivided into unit lots with shared ownership of common areas.
  - Requires legal notice on plats and limits future modifications that would create nonconformity.
  - Simplifies approval through administrative processes without public hearings.
  - Requires clear and objective development standards.
- **Administrative Efficiency:**
  - Integrated review with existing project approvals.
  - Notice requirements to nearby property owners.

## RCWs Affected

- RCW 58.17.020
- RCW 58.17.060

## Responsible Entity

- Local city and town governments (especially those under RCW 36.70A.040)
- Supporting roles: County Auditors, Planning Commissions, and permitting departments

## Implementation Timeline

- Jurisdictions with 2027 comprehensive plan updates must comply during that cycle.
- All others must adopt relevant ordinance changes within **two years of the law's effective date** (by mid-2027).

## Habitat Takeaway

- **Improved Efficiency:** Faster plat approvals may reduce delays in development timelines.
- **Higher Density Potential:** Easier legal subdivision of townhome-style housing.
- **Cost Savings:** Reduced permitting complexity and subjective design review can lower soft costs.
- **Regulatory Compliance:** Habitat Spokane will need to track local implementation to ensure alignment with new unit lot requirements and disclosures.

## SB 5571

**Bill Title:** Regulating Exterior Cladding Materials

**Bill Number:** SB 5571

**Effective Date:** Effective Upon Signature by Governor

## Summary

Senate Bill 5571 prohibits cities, code cities, and counties in Washington State from requiring or excluding exterior cladding materials on buildings if those materials comply with the state building code. It ensures uniformity in building material regulations and limits overly restrictive local ordinances, with specific exceptions.

## RCWs Affected

- **RCW 35.21** – Relating to first-class and second-class cities
- **RCW 35A.21** – Relating to code cities
- **RCW 36.01** – Relating to counties

## Responsible Entity

- **Washington State Building Code Council (SBCC)** – Indirectly, as the state building code is the compliance benchmark
- **Local Governments (Cities, Code Cities, Counties)** – Directly affected by the new prohibitions and implementation of local building codes in compliance

## Implementation Timeline

- **Effective Upon Signature by Governor** – No specific future implementation date mentioned, meaning standard law takes effect 90 days after session adjournment unless otherwise stated
- **Immediate Compliance Required** – Once in effect, local jurisdictions must comply with the law's restrictions

## Habitat Takeaway

### Positive Impacts:

- **Increased Material Flexibility:** The law may reduce local design constraints, allowing the organization to select cost-effective and code-compliant exterior cladding materials.
- **Lower Construction Costs:** By eliminating certain aesthetic or material mandates from local governments, Habitat for Humanity Spokane may achieve greater affordability per home built.
- **Streamlined Approvals:** Fewer restrictions could lead to faster permitting and fewer design reviews in many jurisdictions.

### Neutral or Negative Considerations:

- **Local Variability Still Possible in Exempt Areas:** Projects located in historic districts or areas covered by wildfire building codes may still be subject to restrictions.
- **Coordination Needed with Local Authorities:** Habitat will need to stay updated on local interpretations and transitions in response to the law.

**SB 5587****Bill Title:** Affordable Housing Action Act**Bill Number:** SB 5587**Effective Date:** October 15, 2026

## Summary

Substitute Senate Bill 5587 (SSB 5587) aims to address gaps in housing availability across income levels by improving data reporting and aligning financial assistance with affordable housing priorities. It amends existing laws to require more detailed reporting on housing needs and to prioritize infrastructure funding in counties with significant housing gaps.

## RCWs Affected

- **RCW 36.70A.610:** Requires the Washington Center for Real Estate Research to produce biennial housing reports that evaluate housing needs versus availability across multiple income levels, including emergency and supportive housing needs.
- **RCW 43.155.070:** Updates criteria for the Public Works Board's financial assistance programs to prioritize projects in areas with affordable housing deficits as identified by the housing reports.

## Responsible Entity

- **Washington Center for Real Estate Research (University of Washington):** Responsible for compiling the detailed housing reports.
- **Washington Housing Finance Commission and Office of Financial Management (OFM):** Collaborate in developing housing need metrics.
- **Public Works Board (Department of Commerce):** Implements prioritization of infrastructure funding to promote affordable housing.

## Implementation Timeline

- **October 15, 2026:** First comprehensive report under the new requirements, with subsequent updates every two years.
- The bill's provisions regarding infrastructure funding prioritization are effective upon passage, aligning funding decisions with new housing gap data.

## Habitat Takeaway

### 1. Increased Funding Opportunities

Projects in Spokane County may be prioritized for state funding if local data shows a significant housing need—especially for low-income households. Habitat for Humanity Spokane could benefit from enhanced eligibility for infrastructure grants that support development.

### 2. Data-Driven Advocacy

The new housing reports will provide objective data on housing gaps, which Habitat can use to support grant applications, advocate for local zoning changes, or lobby for supportive policies.

### 3. Regulatory Coordination

Collaboration with local government on comprehensive planning and zoning could be increasingly important, as jurisdictions must align with RCW 36.70A.040 and be responsive to the state's data reporting requirements to qualify for aid.

4. **Focus on Income-Level Targeting**

The emphasis on addressing housing needs across specific income thresholds aligns with Habitat's mission to serve low-income families, potentially directing more state and local attention to the same demographic.

## SB 5148

**Bill Title:** Housing Accountability Act

**Bill Number:** Engrossed Second Substitute Senate Bill 5148

**Effective Date:** Depends on Jurisdiction

## Summary

The Housing Accountability Act (E2SSB 5148) enhances enforcement of housing element requirements under the Growth Management Act (GMA). It authorizes the Washington State Department of Commerce to review and approve local housing elements and associated regulations for compliance. Jurisdictions may voluntarily submit these elements, but the Department may also mandate up to 10 annual “targeted reviews” of cities or counties that appear to be underperforming in meeting housing goals. If found noncompliant, jurisdictions must amend their plans or face restrictions on their ability to deny or condition affordable housing developments. The act includes detailed procedural requirements, sets implementation deadlines, and establishes appeal rights. The Department is directed to adopt necessary rules and publish objective compliance standards within six months.

## RCWs Affected

- **Amended:**
  - RCW 36.70A.290
  - RCW 36.70A.320
  - RCW 36.70A.130
- **Reenacted and Amended:**
  - RCW 36.70A.280
  - RCW 43.21C.495
- **New Sections Added:**
  - Chapter 36.70A RCW (Growth Management Act)

## Responsible Entity

- **Washington State Department of Commerce:** Lead agency for housing element compliance review.
- **Growth Management Hearings Board:** Hears appeals on compliance determinations.
- **Local Governments (Cities and Counties):** Must adhere to new compliance pathways and corrective measures.

## Implementation Timeline

- **Immediately:** Jurisdictions may voluntarily submit plans for review.
- **Within 6 Months:** Department of Commerce must publish objective compliance standards.
- **Within 90 Days of Submission:** Department must issue compliance decisions.
- **Annual Targeted Review:** Up to 10 jurisdictions reviewed each year based on poor performance criteria.
- **120 Days:** Jurisdictions must make corrections if found noncompliant.

## Habitat Takeaway

### Positive Impacts:

- **Improved Regulatory Environment:** The law discourages local barriers to affordable housing, benefiting nonprofit developers.
- **Enforcement of Housing Equity:** Noncompliant jurisdictions cannot block or over-restrict affordable housing projects.
- **Potential Leverage:** Habitat can advocate for jurisdictions to align with compliance to facilitate smoother project approvals.

### Challenges:

- **Administrative Delays:** Temporary review processes might pause or complicate new regulatory adoptions in certain jurisdictions.
- **Monitoring Needed:** Habitat may need to track local jurisdictions' compliance status to plan future projects effectively.

### Opportunities:

- **Strategic Partnering:** Local governments under pressure to comply may seek collaborations with Habitat to show progress.
- **Advocacy:** Provides a stronger legal basis to push for inclusive zoning and policy reform.

## SB 5471

**Bill Title:** Authorizing Middle Housing in Certain Unincorporated Areas

**Bill Number:** Engrossed Senate Bill 5471

**Effective Date:** Effective upon Governor's signature

## Summary

The law authorizes counties planning under the Growth Management Act to allow:

- **Middle housing (up to 4 units/lot)** in:
  - Unincorporated Urban Growth Areas (UGAs)
  - Limited Areas of More Intensive Rural Development (LAMIRDs)
  - Fully Contained Communities

### Key Requirements:

- Development standards for middle housing must **not be more restrictive** than those for single-family homes.
- Must use **existing water/sewer infrastructure**.
- Subject to same permitting and environmental review as detached homes.

Local ordinances implementing these provisions are **exempt from SEPA and Growth Board appeals**.

## RCWs Affected

- **RCW 36.70A** – New section added (Growth Management Act)
- **RCW 43.21C.495** – Reenacted and amended (SEPA appeal exemptions)
- **RCW 36.70A.280** – Reenacted and amended (Growth Management Hearings Board authority)

## Responsible Entity

- **County Governments** (especially those subject to RCW 36.70A.040)
- **Local Planning and Zoning Departments**
- **Washington State Department of Commerce** (as GMA oversight body)

## Implementation Timeline

- **Effective upon Governor's signature** (in 2025)
- Counties may adopt enabling ordinances at any time but must do so via formal amendments to local zoning and development codes.

## Habitat Takeaway

### Opportunities:

- **More flexible land use:** Build duplexes or fourplexes on lots previously limited to single-family housing.
- **Faster permitting:** Reduced risk of legal delays from SEPA or GMA appeals.
- **Supports affordability:** More units per lot can help lower per-unit construction costs.

### Considerations:

- **Dependent on Spokane County participation:** Habitat can only benefit if Spokane County adopts enabling ordinances.

- **Utility access required:** Projects must be located where existing water and sewer services are available.

**Design limitations remain:** Projects must meet the same development standards as single-family homes (e.g., setbacks, lot coverage).

**SB 5558**

**Bill Title:** Growth Management Comprehensive Plan and Development Regulation Updates—Timelines

**Bill Number:** Substitute Senate Bill 5558

**Effective Date:** July 27, 2025

**Summary**

Substitute Senate Bill 5558 revises the Growth Management Act (GMA) by modifying timelines and procedures for the review and update of local comprehensive plans and development regulations. It introduces more flexibility for smaller jurisdictions, strengthens accountability through required implementation progress reports, and mandates clearer, objective standards in design review processes. The bill also synchronizes the adoption of accessory dwelling unit (ADU) and middle housing regulations with the local comprehensive plan update cycle.

**RCWs Affected**

- **RCW 36.70A.130** – Periodic review deadlines and implementation reporting
- **RCW 36.70A.630** – Objective design review standards
- **RCW 36.70A.635** – Middle housing density requirements and exceptions
- **RCW 36.70A.680** – Alignment of ADU regulations with planning updates

**Responsible Entity**

- **Local Governments (Counties and Cities):**  
Responsible for periodic reviews and updates of comprehensive plans, adoption of middle housing and ADU regulations, and reporting on implementation.
- **Growth Management Hearings Board (GMHB):**  
Handles appeals related to plan updates and regulatory compliance.

**Implementation Timeline**

Jurisdiction Group	Deadline for Next Review	Frequency Thereafter
King, Kitsap, Pierce, Snohomish	Dec 31, 2024	Every 10 years
Clallam, Clark, Island, Jefferson, etc.	Dec 31, 2025	Every 10 years
Spokane and similar counties	Dec 31, 2026	Every 10 years
Rural counties (e.g., Okanogan, Garfield)	June 30, 2027	Every 10 years

- **Design Review Compliance:** Aligned with the jurisdiction’s next periodic update
- **Middle Housing Implementation:** Based on population thresholds and tied to next update
- **Implementation Progress Reports:** Required 5 years after each update for qualifying cities/counties
- **Affordable Housing and Parking Provisions:** Phased in with timelines and exceptions for infrastructure or displacement risk

**Habitat Takeaway**

**Positive Implications:**

- **Eased Zoning Constraints:** Requirements to allow duplexes, triplexes, and other middle housing types across Spokane create opportunities for cost-effective developments.
- **Affordable Housing Incentives:** Density bonuses tied to affordability align well with Habitat’s mission and funding models.

- **Reduced Regulatory Barriers:** Clear, objective design standards and streamlined permitting support quicker approvals.
- **Parking Flexibility:** Lower parking minimums near transit can reduce site costs for Habitat projects.

### **Potential Challenges:**

- **Local Rule Compliance:** Habitat Spokane must stay attuned to local code changes as Spokane implements these reforms.
- **Community Pushback:** Densification may trigger resistance from neighborhoods unaccustomed to higher-density infill.
- **Timing Dependencies:** Some benefits (e.g., parking exemptions) are contingent upon meeting state certification criteria or completing progress reports.

## SB 5611

**Bill Title:** Land Use Permitting—Local Government—Various Provisions

**Bill Number:** Engrossed Senate Bill 5471

**Effective Date:** Most provisions take effect immediately; one section (RCW 58.17.040 as amended in Section 3) takes effect January 1, 2028

## Summary

ESSB 5611 is designed to **streamline and clarify land use permitting processes** by local governments in Washington State. It does so primarily by amending existing RCWs to improve the use of binding site plans and enforce stricter timelines and accountability in permit processing.

## RCWs Affected

This legislation amends or reenacts the following Revised Code of Washington (RCW) sections:

- **RCW 58.17.035** – Updates procedures related to binding site plans for land divisions.
- **RCW 58.17.040** – Provides detailed exemptions from subdivision requirements for certain land uses and zoning classifications.
- **RCW 64.90.025** – Prevents local ordinances from imposing stricter regulations on condominiums or cooperatives compared to identical developments under different ownership.
- **RCW 36.70B.080** – Adds required permit timelines and performance reporting duties for local governments.
- **RCW 58.17.040** is reenacted with updated language, effective January 1, 2028, to ensure continued clarity and alignment with other updated land use statutes.

## Responsible Entity

- **Local Government Planning and Permitting Departments:** Cities and counties will need to update ordinances, adjust internal processes, and ensure timely compliance with new binding site plan rules and permit review timelines.
- **Washington State Department of Commerce:** Will receive and publish annual performance reports on permitting timelines.
- **County Assessors:** May review certain property declarations solely for tax and value allocation purposes (RCW 64.90.025(5)).

## Implementation Timeline

- **Effective Immediately (2025):** Most amendments, including updates to binding site plans and permit review timelines.
- **By January 1, 2025:** Local governments must define application completeness requirements and begin tracking permit timelines.
- **By March 1, 2025:** First annual permit performance reports due to the Department of Commerce.
- **January 1, 2028:** The revised version of RCW 58.17.040 in Section 3 takes effect, replacing the version amended in Section 2 (which then expires).

## Habitat Takeaway

### Positive Impacts:

- **Faster Permitting:** Stricter timeframes for local government decisions (e.g., 65–170 days depending on project type) can reduce delays in housing development projects.
- **Predictable Process:** Clearly defined application completeness requirements and timeline transparency may reduce uncertainty for project planning and budgeting.
- **Multifamily Inclusion:** Allowing multifamily residential uses under the definition of "commercially zoned" property for binding site plans can enable Habitat to better utilize parcels for multi-unit affordable housing developments.

### Operational Considerations:

- **Coordination with Local Governments:** Habitat will need to ensure its project applications align with newly adopted local ordinances.
- **Monitoring Rule Changes:** As cities and counties adjust their codes, Habitat may need to update its internal processes to remain compliant and maximize efficiency under the new regulations.



# Tax/Finance

## SB 5529

**Bill Title:** Accessory Dwelling Units—Tax Exemption For Low-Income Housing—Population Threshold

**Bill Number:** Engrossed Senate Bill 5529

**Effective Date:** Effective for tax levies collected in 2026 and beyond

## Summary

Engrossed Senate Bill (ESB) 5529 amends RCW 84.36.400 to expand eligibility for property tax exemptions on accessory dwelling units (ADUs) rented to low-income households. Specifically, it adjusts the county population threshold criteria to allow additional counties and cities to opt into the exemption program. It aims to incentivize homeowners to offer ADUs as affordable housing by offering a tax break.

## RCWs Affected

- **RCW 84.36.400** (Property tax exemptions for ADU improvements)
- Uncodified section: 2023 c 335 s 2 is also amended (tax preference performance statement)

## Responsible Entity

- **Washington State Department of Revenue (DOR)** – Rulemaking and form development
- **County Assessors** – Administration, approval, and compliance verification
- **County or City Legislative Authorities** – Authorization and policy implementation for local participation
- **Joint Legislative Audit and Review Committee (JLARC)** – Program evaluation and reporting

## Implementation Timeline

- **Effective for tax levies collected in 2026 and beyond** (Sec. 4)
- **Expires January 1, 2034** (Sec. 3)
- **Performance review report due by December 1, 2027** (Sec. 2(4)(a))

## Habitat Takeaway

### Opportunities:

- **Increased Housing Access:** Homeowners may be more inclined to build or convert ADUs, enhancing the affordable housing inventory, particularly benefiting low-income residents that Habitat for Humanity serves.
- **Strategic Partnerships:** Habitat Spokane could potentially collaborate with local governments or homeowners to facilitate the development of ADUs that qualify for the exemption.
- **Policy Advocacy:** The organization might advocate for Spokane County or local jurisdictions to adopt this exemption if it falls within the qualifying population range (900,000–1,500,000) or to prepare for potential inclusion in future legislative changes.

### Challenges:

- **Verification Burden:** Ensuring income eligibility and compliance could create administrative hurdles for smaller housing nonprofits if involved in implementation.
- **Limited Scope:** If Spokane County does not meet the specified population threshold or does not pass a local resolution, the exemption would not be available locally unless state law is amended further.

**HB 1260****Bill Title:** Document Recording Fee—County Administrative Costs**Bill Number:** Substitute House Bill 1260 (SHB 1260)**Effective Date:** July 27, 2025

## Summary

Substitute House Bill 1260 updates the distribution and allowable uses of the \$183 document recording surcharge collected by county auditors. It ensures more targeted and efficient use of funds for local and state homelessness and affordable housing programs. Notably, it increases flexibility for cities operating their own homeless housing programs and requires a minimum portion of county-retained funds to support housing for extremely low-income populations. The Department of Commerce remains a key agency for fund oversight and program implementation. No formal rulemaking is required, but administrative procedures and interlocal agreements will guide implementation.

## RCWs Affected

- **RCW 36.22.250** – Revised to update fee distribution formulas and clarify eligible uses and administrative cost caps.

## Responsible Entity

- **County Auditors** – Collect and retain a portion of document recording fees.
- **Washington State Department of Commerce** – Administers major housing and homelessness-related grant programs.
- **State Treasurer** – Receives and allocates funds into designated housing accounts.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **Initial Changes Due:** By the effective date, counties must:
  - Adjust how funds are allocated among local and state accounts.
  - Implement revised administrative cost limits and local fund use.
- **Quarterly:** Counties must transmit funds to eligible cities quarterly.
- **Ongoing:** Department of Commerce must administer programs under the revised funding framework.

## Habitat Takeaway

### Potential Benefits

- **Increased Funding Opportunities:** May access funds through county or city for housing development or rehabilitation targeting very low-income populations ( $\leq 50\%$  AMI, and  $\leq 30\%$  AMI for some grants).
- **Support for Homeownership Projects:** Eligible if units are affordable to very low-income households.
- **Possible Operational Support:** Could receive support for building operation and maintenance if properties meet income and program criteria.

### Strategic Considerations

- **Engage with Local Authorities:** Active coordination with Spokane County and City of Spokane is essential to leverage funding.
- **Align with Housing Priorities:** Projects should align with the local homeless housing plan and eligibility rules.

- **Monitor Administrative Guidelines:** Stay informed on Department of Commerce procedures and funding opportunities.

**HB 1791****Bill Title:** Local Real Estate Excise Tax—Various Provisions**Bill Number:** Substitute House Bill 1791**Effective Date:** July 27, 2025

## Summary

**Substitute House Bill 1791 (SHB 1791)** updates the administration and permissible uses of the local real estate excise tax (REET) to increase flexibility in its use by local jurisdictions. Specifically, the bill allows expanded eligible uses of REET revenues to include housing and service support for low-income populations and homelessness-related facilities, and it modernizes reporting and compliance requirements for counties and cities.

## RCWs Affected

This bill amends the following Revised Code of Washington (RCW) sections:

- RCW 82.45.010 – Definition of "sale" for real estate excise tax purposes
- RCW 82.46.010 – REET 1: Authority and use of proceeds
- RCW 82.46.015 – Allowable REET use for maintenance and operations
- RCW 82.46.035 – REET 2: Additional tax and allowed uses for planning jurisdictions
- RCW 82.46.037 – Expanded flexibility in use of REET 2

## Responsible Entity

- **Washington State Department of Revenue** – Responsible for implementing rulemaking and tax administration.
- **County and City Governments** – Primary beneficiaries and users of REET revenues, with new spending flexibilities.
- **Washington State Housing Finance Commission** – Tasked with reporting on low-income housing tax exemptions.
- **Department of Social and Health Services (DSHS)** – Responsible for determining compliance with continued use exemptions for supported living housing transfers.

## Implementation Timeline

- **Effective Date:**
  - General provisions: **July 27, 2025**
  - Section 2 (revising the definition of "sale"): **January 1, 2030**
- **Expiration:**
  - Section 1 expires **January 1, 2030**, and is replaced by Section 2.

## Habitat Takeaway

### Positive Implications:

- **Expanded REET Exemptions:** Section 3(u) provides a **REET exemption for sales of self-help housing** by an "affordable homeownership facilitator" to low-income households. This aligns directly with Habitat for Humanity's mission.
- **Eligibility Criteria:** Habitat for Humanity Spokane qualifies as an "affordable homeownership facilitator" under the bill, as a 501(c)(3) nonprofit that uses sweat equity participation.

- **Increased Access to Property:** Exemptions for transfers to qualifying grantees for low-income housing (Section 3(v)) and development of housing or facilities serving low-income or homeless populations (RCW 82.46.035) may increase the availability of developable or transferrable real estate.

**Operational Considerations:**

- Affidavit and documentation submission requirements apply to claim REET exemptions.
- Compliance monitoring for continued use and income-eligibility of beneficiaries is essential.

## HB 1760

**Bill Title:** Manufactured Homes – Certain Entities Selling at Cost – Vehicle Dealer Licensure Exemption

**Bill Number:** House Bill 1760

**Effective Date:** July 27, 2025

## Summary

House Bill 1760 amends RCW 46.70.011 to expand the exemption from vehicle dealer licensing requirements for specific organizations that sell manufactured homes at cost to low-income households. Previously, only certain types of entities could qualify; the amendment clarifies and broadens this exemption to include a wider range of nonprofit and community-based organizations, as long as they do not sell more than 12 manufactured homes annually.

## RCWs Affected

- RCW 46.70.011

## Responsible Entity

- **Washington State Department of Licensing (DOL)**  
The DOL oversees and enforces vehicle dealer licensure regulations.

## Implementation Timeline

- **Effective Date:** July 27, 2025

## Habitat Takeaway

**Positive Impact:** Habitat for Humanity Spokane may benefit directly from this exemption if it meets the criteria set out in the bill:

- Sells manufactured homes **at cost**
- Sells no more than **12 homes in a 12-month period**
- Targets **low-income households**
- Operates as a **nonprofit, community-based, or regional/statewide housing assistance organization**

This exemption could reduce administrative and financial burdens by eliminating the need to obtain a vehicle dealer license, thereby supporting Habitat's mission to provide affordable housing.

## SB 5662

**Bill Title:** Municipal Utility Connection Charge Waivers—Certain Properties

**Bill Number:** Engrossed Senate Bill 5662

**Effective Date:** Effective immediately upon the Governor’s signature

## Summary

Engrossed Senate Bill 5662 modifies RCW 35.92.385 to expand and clarify the conditions under which municipal utilities may waive utility connection charges for specific types of housing projects. Specifically, it:

- Authorizes municipal utilities to waive charges for properties owned or developed by nonprofits, public development authorities, housing authorities, or local agencies providing emergency shelter, transitional housing, permanent supportive housing, or affordable housing.
- Expands eligible entities to include certain limited partnerships and LLCs as defined under RCW 84.36.560.
- Requires that waived fees be covered by general funds, grants, or other identified revenue streams—except in counties east of the Cascade Mountains with populations over 500,000 (e.g., Spokane County), where charges may be waived without such funding if restrictive covenants are recorded.
- Mandates that properties which cease to meet eligibility must repay previously waived charges as a condition for continued utility service.

## RCWs Affected

- Amends **RCW 35.92.385**.

## Responsible Entity

- **Municipal utilities** are the primary entities affected and responsible for implementation and enforcement.

## Implementation Timeline

- **Effective immediately** upon the Governor’s signature and filing with the Secretary of State (exact date not provided in the bill text but assumed to be post-April 21, 2025).

## Habitat Takeaway

- **Direct Benefit Potential:** Habitat for Humanity Spokane may now qualify for waived utility connection fees if developing affordable housing in eligible jurisdictions.
- **Financial Impact:** This could reduce upfront infrastructure costs, improving project viability and affordability.
- **Regional Relevance:** As Spokane County is east of the Cascade Mountains and has a population exceeding 500,000, it falls within the area where waivers can be issued without immediate offsetting funds—conditional on recording use-restrictive covenants.
- **Covenant Considerations:** Habitat must be prepared to include and enforce long-term affordability covenants and meet income eligibility guidelines in order to benefit.
- **Long-Term Risk:** If a property ceases to meet eligibility criteria, Habitat could face retroactive utility charges.

## HB 1494

**Bill Title:** Multifamily Property Tax Exemption Program—Modification

**Bill Number:** HB 1494

**Effective Date:** July 27, 2025

## Summary

House Bill 1494 revises Washington State's multifamily property tax exemption (MFTE) program to strengthen affordability requirements, clarify eligible jurisdictions, and expand long-term housing opportunities. The legislation preserves the expiration date for the MFTE while allowing extensions and 20-year exemptions for developments that meet stricter affordability standards. It introduces enhanced compliance requirements, penalties for noncompliance, and a mandate for regular auditing. The Department of Commerce is tasked with developing templates and guidance for permanent affordable homeownership. The law is intended to better align tax incentives with state and local goals for affordable housing, particularly near transit and in urban centers.

## RCWs Affected

This bill amends the following sections of the Revised Code of Washington (RCW) Chapter 84.14:

- RCW 84.14.010
- RCW 84.14.020
- RCW 84.14.021
- RCW 84.14.040
- RCW 84.14.060
- RCW 84.14.070
- RCW 84.14.100
- RCW 84.14.110

## Responsible Entity

- **Washington State Department of Commerce:** Responsible for audits, compliance oversight, and developing deed restriction templates.
- **City and County Governments:** Designate residential targeted areas, approve and monitor MFTE projects, ensure compliance with affordability requirements.
- **County Assessors:** Implement tax roll adjustments post-exemption or upon noncompliance.

## Implementation Timeline

- **Effective Date:** July 27, 2025
- **New Exemptions Cutoff:** January 1, 2032
- **Extension Cutoff:** January 1, 2046
- **Annual Reporting to Commerce:** By April 1 annually
- **Audits of Properties:** At least once every five years

## Habitat Takeaway

### Opportunities:

- Eligible to partner on developments receiving a 20-year exemption if at least 25% of units are permanently affordable homeownership.

- Aligns with Habitat's use of long-term deed restrictions and affordability covenants.
- Potential for greater project viability in MFTE-qualified zones, especially near transit or in urban growth areas.

**Considerations:**

- Must ensure ongoing compliance and reporting in partnership with local governments.
- Risk of penalties or loss of exemption if affordability standards are not maintained.
- May need additional administrative capacity for oversight and engagement with audit processes.

**Strategic Implications:**

- Habitat for Humanity Spokane is well-positioned to serve as the qualifying nonprofit partner in MFTE-eligible developments.
- The bill offers a strong policy tool to support permanent affordability in mixed-income projects.
- Building partnerships with local jurisdictions early will be key to accessing new opportunities under this program.





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