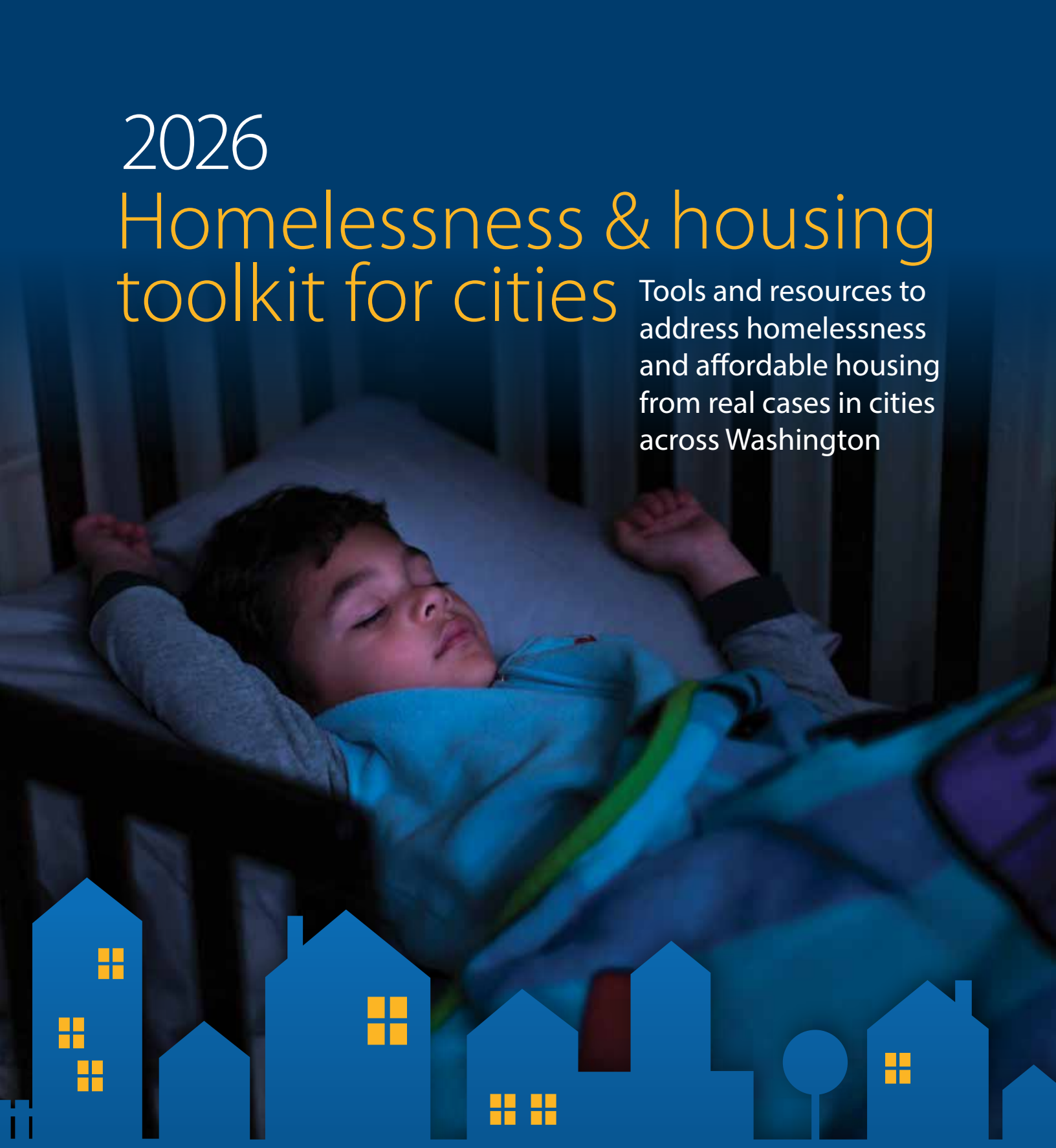
# 2026 Homelessness & housing toolkit for cities

Tools and resources to address homelessness and affordable housing from real cases in cities across Washington



MRSC

AWC ASSOCIATION OF WASHINGTON CITIES

# Table of contents


## Introduction

City resources for addressing homelessness & affordable housing ..... 1

## Funding

Homelessness & affordable housing funds explained ..... 2

## Legal landscape

Cases affecting homelessness response ..... 5

## Homelessness

The Housing First model ..... 8

Emergency rental assistance programs: A strategy for preventing homelessness ..... 9

Severe weather services ..... 10

A primer on safe parking programs ..... 12

Best practices in siting shelters and transitional housing ..... 13

A path forward: Fife's Jobs Program ..... 15

Turning hotels into housing ..... 17

Tiny house villages as permanent supportive housing ..... 19

Factors that increase the likelihood unhoused people will seek out shelters ..... 21

## Affordable housing

How cities are using sales tax revenue-sharing proceeds to make local investments in housing ..... 23

Recent state laws require increased housing capacity ..... 24

Protecting your community's naturally occurring affordable housing ..... 28

Using affordable housing zoning to minimize displacement ..... 30

Dealing with displacement in your comprehensive plan ..... 32

Planning for affordable housing ..... 34

Surplus public property to create affordable housing ..... 35

Addressing the impact of short-term rentals on affordable housing ..... 37

Multifamily housing bonds ..... 38

Land acquisition program ..... 40

A Regional Coalition for Housing (ARCH): 15 cities and a county working together ..... 41

City of Bellingham housing levy ..... 42

Community land trusts ..... 43

Inclusionary zoning: Mandatory programs ..... 45

Density bonus: Voluntary inclusionary zoning ..... 47

Multifamily tax exemption: A newly expanded incentive to help create affordable housing ..... 48

Bremerton addresses housing affordability & chronic homelessness ..... 50

Down payment assistance programs ..... 52

Tiny homes ..... 53

The role of manufactured home parks ..... 54

## Tenant protections

Rental housing inspection programs ..... 56

Recent tenant protection laws ..... 57

## Innovative collaboration

Taking a team approach to help people struggling with homelessness & behavioral health ..... 58

Copyright © 2026 by Association of Washington Cities and Municipal Research & Services Center
All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the Association of Washington Cities (AWC) or Municipal Research & Services Center (MRSC).

AWC's mission is to serve our members through advocacy, education and services.
Association of Washington Cities
1076 Franklin St. SE, Olympia, WA 98501
360.753.4137
1.800.562.8981
wacities.org

MRSC's mission: Trusted guidance and service supporting local government success.
Municipal Research & Services Center
1712 6th Ave, Suite 100, PMB 1330, Tacoma, WA 98405
206.625.1300
mrsc.org

Introduction

# City resources for addressing homelessness & affordable housing

After many years of improvement, in 2013 homelessness in Washington started increasing and peaked 10 years later. Last year, data from the Department of Commerce showed a continued but slower increase in homelessness, despite significant investment and efforts to reduce it over the last decade.

Almost every community in the state faces rapidly increasing housing costs that are pricing working families out of cities and exacerbating homelessness.

When markets in larger urban communities are red hot, there is powerful pressure to renovate and raise rents for existing affordable units. Less urbanized areas of the state face very low vacancy rates and soft development economies, where new construction is not occurring at the pace needed to meet demand and accommodate growth.

In recent years the state has passed legislation intended to address supply issues in the housing market. The two most notable laws require cities to allow moderate-density housing types in traditionally single-family neighborhoods and larger cities to allow housing in commercial zones. It is too soon to tell if these efforts will bear fruit.

Solving these problems falls to a varied group of federal and state agencies, local governments, and nonprofit partners. The cost of homelessness to taxpayers is significant: increased police calls for service and locally funded homeless services strain local budgets. Cities struggle with limited resources—and state or federal funding for homelessness and housing does not often flow directly to cities.

There is no single solution to these problems, and cities need access to a variety of strategies to address the related crises of lack of affordable housing and homelessness. This toolkit serves as a resource for elected officials and city staff who seek options and ideas on how to respond.

Cities are on the front lines of the challenges of housing and homelessness, but as the programs in this toolkit demonstrate, cities cannot solve them alone. Reducing homelessness and increasing affordable housing require a sustained, innovative approach and a willingness to partner with county, state, and federal agencies, as well as local faith communities, nonprofits, the private sector, and housed residents. None of these programs are one-size-fits-all solutions, but the following pages offer ideas and inspiration so cities can continue rising to meet the challenge of ensuring that every resident has a safe place to sleep every night.

## What is "affordable housing"?

The terms "affordable housing" and "affordability" are often misunderstood. Affordable housing is commonly mistaken for low-income housing. Instead, housing is considered affordable when its cost (including utilities) is not more than 30% of the household income, regardless of the level of income. In contrast, low-income housing defines affordability based on defined income levels that are lower than the area's average income (e.g., someone who makes 60% of the area median income could qualify to rent a unit). Each city will have different income level bands and different housing supply constraints that will impact those populations to varying degrees.

Funding

# Homelessness & affordable housing funds explained

The state's housing crisis can seem insurmountable. The financial returns from low-income housing development are not high enough to incentivize traditional banking institutions and housing developers to finance and construct housing for this economic segment. Housing developments are usually financed based on a market rent or sale price that will guarantee the repayment of construction loans to banks and result in enough profit for housing developers to take on the many risks of development. Thus, most new housing is constructed for those at or above median income levels ("market-rate" housing).

More public funding is clearly needed to address the lack of availability of below-market housing. The resources below identify financing tools available to assist cities in addressing both homelessness and a lack of affordable housing.

| Source | Funding focus | Housing-related use | Area median income (AMI) restrictions |
|---|---|---|---|
| Affordable housing property tax levy | Affordable housing | Funds activities designated by the local affordable housing finance plan | 80% of the AMI or below |
| Affordable housing & related services sales tax | Affordable housing and homelessness | Constructing or acquiring affordable housing, including emergency, transitional, supportive, and permanent housing; facilities providing housing-related services; acquiring land for these purposes; funding the O&M costs of existing or new units of eligible housing and facilities; rehabilitating existing affordable housing or shelter; or rental assistance | 60% of the AMI or below; or 80% of the AMI or below if developing for owner occupancy |
| Affordable housing sales tax credit | Affordable housing | Allows cities and counties to access a portion of state sales tax revenue to make local investments in affordable housing | 60% of the median income of the city imposing the tax for rental units and up to 80% for homeownership. Note: This is not the AMI |
| Building conversion sales tax deferral | Affordable housing | Provides a sales tax deferral for costs associated with qualifying commercial to residential conversion projects with at least 10% of units rented or sold as affordable housing. If qualifying units are preserved for at least 10 years, deferred taxes do not need to be repaid. | 80% of the AMI or below |
| Community Development Block Grants | Affordable housing | Rehabilitation of affordable housing and homeownership programs for low-income households | 80% of the AMI or below |
| Continuum of Care Program | Homelessness | Homeless housing and services | N/A |
| Document recording fees | Homelessness | Homeless housing, planning, and prevention | N/A |
| HOME Investment Partnerships Program | Affordable housing | Preservation, creation of new units, and rental assistance | 60-80% of the AMI or below |
| Housing Choice Voucher (Section 8) | Affordable housing | Rental voucher | 50% of the AMI or below |
| Housing Trust Fund | Affordable housing | Construction and maintenance of affordable housing | 80% of the AMI or below |
| Lodging tax (hotel/ motel tax) | Workforce housing | Repayment of debt issued to fund workforce housing within one-half mile of a transit stop | 30-80% of the AMI, adjusted for family size |
| Low-Income Housing Tax Credit | Affordable housing and homelessness | Construction or rehabilitation of new units | Provides three income options: tenants at 50% or 60% of the AMI or below; or an average of tenants but no one above 80% of the AMI |

## Affordable housing property tax levy

Counties and cities are authorized to impose additional regular property tax levies up to 50 cents per $1,000 assessed valuation (AV) each year for up to 10 consecutive years to finance affordable housing subject to voter approval (RCW 84.52.105).

Effective October 1, 2020, the Legislature amended the law expanding the revenue uses to include affordable homeownership, owner-occupied home repair, and foreclosure prevention programs for low-income households (defined as earning 80% or less of the county's median income).

If both the city and county impose a levy, the levy of the last jurisdiction to receive voter approval is reduced so that the combined rate does not exceed 50 cents per $1,000 AV in any taxing district.

This tax may not be imposed until the legislative authority:

1. Declares the existence of an emergency with respect to the availability of housing that is affordable to low or very low-income households; and

2. Adopts an affordable housing finance plan in conformity with state and federal laws regarding affordable housing.

## Affordable housing & related services sales tax

In July 2015, the Legislature approved **HB 2263**, which gave local governments a tool to obtain funding to house vulnerable residents by implementing a one-tenth of one percent (0.1%) sales tax. In 2020, the Legislature amended the law (**HB 1590**) to provide an optional councilmanic approval, rather than voter approval (RCW 82.14.530).

Under the amended law, county legislative authorities had the "right of first refusal" to implement the 0.1% sales and use tax by September 2020. A city legislative authority may implement the whole or remainder of the tax either councilmanically or by voter approval if the county has not opted to implement the full tax.

The revenue stream is meant to serve people living with incomes at 60% or less of a given county's area median income, or 80% of the area median income if developing projects for owner occupancy. Most of the funding (at least 60%) is designated for constructing or acquiring affordable housing, including land; facilities to deliver behavioral health services or land for such facilities; the operation and maintenance of existing or newly built or acquired affordable housing or behavioral facilities; or rehabilitating existing affordable housing, which may include emergency, transitional, and supportive housing. The remainder of the funds can be used for the operation, delivery, or evaluation of behavioral health programs and services; affordable and supportive housing operation and maintenance; housing-related services; or rental assistance.

## Affordable housing sales tax credit

Passed in 2019, **HB 1406** created a sales tax revenue-sharing program that allows cities and counties to access a portion of state sales tax revenue to make local investments in affordable housing. Over a 20-year commitment, the state will be sharing more than $500 million with local governments. To take advantage of this funding source, cities and counties needed to adopt the tax ordinance by July 28, 2020. Revenues may be used to acquire, rehabilitate, or construct affordable and supportive housing; for operations and maintenance costs of new and existing units of affordable or supportive housing; or for rental assistance. In addition, up to 10% may be used for administrative costs of the jurisdiction.

## Building conversion sales tax deferral

The 2024 Legislature provided a new incentive to promote the conversion of underutilized commercial space into residential units. Cities are authorized to provide a deferral of sales tax associated with qualifying conversion projects that provide at least 10% of new residential units that are affordable to families making less than 80% of the area median income. Projects that continue to provide these income-restricted units for 10 years do not have to repay deferred taxes.

## Community Development Block Grants

Started in 1974, the Community Development Block Grant (CDBG) program is one of the U.S. Department of Housing and Urban Development's (HUD's) longest-running programs and provides annual grants to local governments and states for a wide range of community needs. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

CDBG appropriations are allocated between states and local jurisdictions called "non-entitlement" and "entitlement" communities. Entitlement communities comprise central cities of Metropolitan Statistical Areas, metropolitan cities with populations of at least 50,000, and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute CDBG funds to non-entitlement localities not qualified as entitlement communities.

## Continuum of Care Program

HUD's Continuum of Care (CoC) Program is designed to promote community-wide commitment to the goal of ending homelessness. The program provides funding for efforts by nonprofit service providers, states, and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness. The program promotes access to and effective utilization of mainstream programs by homeless individuals and families. The CoC optimizes self-sufficiency among individuals and families experiencing homelessness.

## Document recording fees

Document recording fees are Washington state's largest source of funding for homelessness programs. Counties charge fees on recorded documents and are permitted to retain a portion for affordable housing and homelessness programs.

Counties generally include cities in committees in determining how to spend the local share of the collected fees. Another portion of these funds is redirected to the Washington State Department of Commerce to fund various programs, including the Consolidated Homeless Grant program.

## HOME Investment Partnerships Program

Also a HUD program, the HOME Investment Partnerships Program (HOME) is like CDBG, except that the funds must be used for affordable housing for low- and very low-income individuals. Funding is allocated to states or participating jurisdictions. Funds can be used for building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance. The program is flexible and allows states and local governments to use these funds for grants, direct loans, loan guarantees or other forms of credit enhancements, and rental assistance or security deposits.

## Housing Choice Voucher (Section 8)

The Housing Choice Voucher program is a federal housing voucher for very low-income families, the elderly, and disabled individuals to afford housing in the private market. Participants are free to choose any housing that meets the requirements of the program and are not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by public housing authorities. Housing authorities receive federal funds from HUD to administer the voucher program. Usually, a housing subsidy is paid to the landlord directly by the housing authority on behalf of the participating family. The individual or family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

## Housing Trust Fund

The Washington State Department of Commerce administers a Housing Trust Fund (HTF) funded primarily through the capital budget. Since 1987, the HTF has contributed over $1 billion toward the construction and maintenance of over 40,000 affordable homes. HTF dollars support a wide range of projects serving a diverse array of low-income populations. Projects can serve people with incomes up to 80% of the area median income, but most projects funded to date serve households with special needs or incomes below 30% of the area median income, including homeless families, seniors, farmworkers, and people with developmental disabilities. Local governments can apply to the HTF for eligible activities.

## Lodging tax (hotel/motel tax)

Cities and counties traditionally use lodging tax funds to fund activities associated with tourism facilities and promotion. However, amendments in 2015 and 2021 expanded the uses of these funds to address youth homelessness and affordable workforce housing near transit stations. There are several important restrictions and procedural requirements to utilize lodging tax funds. Cities should carefully consult the statute to determine whether this tool is appropriate for your specific project.

## Low-Income Housing Tax Credit

The Low-Income Housing Tax Credit (LIHTC) is a federal tax credit program created in 1986 to provide private owners an incentive to create and maintain affordable housing. The IRS allocates program funds on a per capita basis to each state. The Washington State Housing Finance Commission (HFC) administers the tax credits as a source of funding that housing developers use for a single project. Investors in housing projects can apply to the HFC for different tax credits depending on project type.

Legal landscape

# Cases affecting homelessness response

Historically, "sit-lie" ordinances or ordinances prohibiting acts like camping on public property or panhandling were considered viable tools for localities to address homelessness in public spaces. However, the enactment and enforcement of these ordinances have been the subject of much legal debate in recent years. Before cities can respond to homelessness in their community, it's critical to understand the current legal landscape, including the limits of enforcement.

**Public camping: *City of Grants Pass v. Johnson***

In 2024, the U.S. Supreme Court decided *City of Grants Pass v. Johnson*, a case addressing whether local ordinances imposing criminal penalties for sleeping or camping on public property violated the prohibition against cruel and unusual punishment in the U.S. Constitution's Eighth Amendment. The Court found no violation, ruling that the ordinances punished only acts, and not the status of being homeless.

The *Grants Pass* decision overruled *Martin v. City of Boise*, a 2018 Ninth Circuit decision holding that only localities with available homeless shelter capacity could enforce criminal public sleeping or camping ordinances against persons experiencing homelessness. In *Grants Pass*, the Court characterized the *Martin* decision as largely unworkable in practice for many localities.

Following the *Grants Pass* decision, in August 2024, the American Civil Liberties Union filed suit on behalf of several plaintiffs against the City of Spokane and several city officials (*Currie et al. v. City of Spokane*). The suit alleges that Spokane ordinances imposing criminal penalties for camping and sitting/lying on public property violate the Washington State Constitution's prohibition against cruel punishment. Courts have previously ruled that Washington's Constitution gives individuals greater protection from cruel punishment than the Eighth Amendment does. This lawsuit, and a few others, are still pending in trial court, but their outcome could continue to change the landscape of homelessness enforcement in Washington.

**Unauthorized encampments – Cleanups: *Lavan v. City of Los Angeles***

A different Ninth Circuit case, *Lavan v. City of Los Angeles* (2012), addressed the Constitution's protections of the Fourth and 14th amendments—due process requirements for the removal of unauthorized encampments on public property.

Prior to clearing encampments, local governments must provide notice to camp residents (72-hour minimum notice is common). It is also important to have outreach personnel present during encampment removal whose job it is to help individuals in an encampment identify shelter options or alternative locations to go to. Personal property found during the encampment removal must be held for a certain amount of time so that it can be claimed by the owner—do not assume it is abandoned. Storage of at least 60 days is common.

The Ninth Circuit case of *Garcia v. City of Los Angeles* (2020) ruled that *Lavan's* due process and property storage requirements apply equally to "bulky" items (larger items like furniture, mattresses, or appliances) that authorities remove from homeless encampments.

In December 2024, the state Court of Appeals Division I held in *Kitcheon v. City of Seattle* (unpublished) that city encampment removal procedures are entitled to "rational basis" review when their underlying goal and purpose is to remove encampments posing threats to public safety or public property use. Under this standard of review, cities must "carefully tailor" their encampment removal procedures to meet a legitimate government interest and immediate removal does not meet that test. Seattle appealed to the Washington Supreme Court in February 2025, and the petition was ultimately denied.

**Unauthorized encampments – Searches: *State v. Pippin***

In 2017, the Washington Court of Appeals Division II ruled that tents and shelters set up on public property and used for habitation are protected from unreasonable searches under the Washington State Constitution. In *State v. Pippin*, William Pippin was arrested when the police found drugs in his tent. The court ruled that law enforcement officers needed to obtain a search warrant before searching Pippin's tent. The court acknowledged the pervasiveness of homelessness and the need for the law to be flexible in responding to it, stating:

> The law is meant to apply to the real world, and the realities of homelessness dictate that dwelling places are often transient and precarious. The temporary nature of Pippin's tent does not undermine any privacy interest.

**Parking enforcement of vehicles used as a residence: *City of Seattle v. Long* and *Potter v. City of Lacey***

In 2021, two cases—one in the Washington Supreme Court and the other in federal district court—argued a novel legal question: whether a city could enforce parking restrictions, including fines and impoundment, on a vehicle used as a residence.

The first case, *City of Seattle v. Long*, arose when Steven Long parked his truck for three months in a city parking lot that had a 72-hour parking restriction. Long was living in the truck and used it to store his personal possessions, including tools of his trade. When Long did not move his truck after it was posted with a parking violation notice, a city-contracted company towed the truck in Long's absence. At the impoundment hearing, the magistrate found that Long had parked illegally but waived the $44 parking infraction fine, reduced the impoundment charges from $946.61 to $547.12, and added a $10 administrative fee. Long was then required to pay $50 a month under a payment plan. Long received his truck after the hearing.

In its August 2021 decision, the Washington Supreme Court agreed with Long's arguments that because he was living in his truck, the vehicle was automatically protected from debt collection under the Homestead Act (Chapter 6.13 RCW), which provides protections from using a residence to satisfy debts. However, the Court agreed with Seattle that because the city never collected on Long's debt, the protections of the Homestead Act against attachment, execution, or forced sale were never implicated. The Court further concluded that the city had the authority to seize Long's truck, impoundment was reasonable under the circumstances, and no alternatives existed in this case. Long also argued that the fines were excessive and violated constitutional protections against cruel and unusual punishment. The Court agreed that the impoundment and associated cost were both partially punitive and, as such, determined them to be fines under the Eighth Amendment. But the Court applied a new test finding that Long did not have the ability to pay the fines. Finally, the Court concluded that the payment plan that Long agreed to in order to retrieve his truck was excessive in this case, but that "a reasonable fine may still be constitutional and appropriate."

The second case, *Potter v. City of Lacey*, was heard in the U.S. District Court for the Western District of Washington and concerns a recreational vehicle parked in a city hall parking lot and a city ordinance addressing parking of recreational vehicles. Jack Potter lived in a trailer attached to his truck. The case arose when Potter began parking in the Lacey City Hall parking lot along with about two dozen other vehicle-sheltered individuals.

The ordinance at issue prohibited parking recreational vehicles for more than four hours unless the vehicle had been issued a permit granting it an exception. Potter's vehicle did not have a permit. Potter was issued a $35 parking violation and, when police arrived with a tow truck, Potter removed his vehicle from the lot to avoid impoundment.

Potter challenged the city ordinance and permit, alleging that they violated federal and state constitutional rights of freedom of travel and association, freedom from cruel and unusual punishment, and freedom from unreasonable searches and seizures. The federal district court ruled in favor of the city on all claims and the Ninth Circuit Court of Appeals affirmed the ruling.

In light of these rulings, here are some options to consider to reduce legal risk when enforcing parking restrictions, in consultation with your city's legal counsel:

- Review your parking enforcement procedures.
- Designate a safe parking location to remove the illegality of the parking (or find a local partner to offer safe parking in their lots).
- Limit your enforcement of vehicles suspected as residences.
- If you choose to impound:
    - Avoid any action that appears like you will auction the vehicle unless payment is received.
    - If you collect on the debt, the protections of the Homestead Act are triggered.
    - Treat any car that appears to be serving as a residence as a home, including searches of property inside.
- Review your fines and fees ordinances under the Eighth Amendment protection against excessive fines and ask:
    - Are they used as punishment, even partially?
    - Are the fees and fines associated with the actual or approximate costs incurred?
- Consideration of individual circumstance and ability to pay is required during an impoundment hearing.

**Panhandling regulations: *City of Lakewood v. Willis***

The Washington Supreme Court struck down an ordinance prohibiting begging or panhandling on First Amendment grounds in the 2016 case of *City of Lakewood v. Willis*. In *Willis*, the ordinance prohibited begging at highway on/off ramps, major intersections, and several other locations. Because freedom of speech is protected in public forums, and sidewalks are a traditional public forum, the court ruled that Lakewood's ordinance overreached in the number of public forums that were restricted. Even though courts agree that panhandling is speech, restrictions on time, place, and manner can be imposed if enough alternative avenues of communication remain available.

Considering *Willis*, cities should review their regulations and enforcement practices. Asking for help or aid is protected speech, and courts will closely scrutinize regulations that focus on certain types of speech (such as soliciting aid). Public safety laws (such as obstructing traffic) may present appropriate enforcement alternatives when fairly applied, since these laws do not regulate protected speech.



Homelessness

# The Housing First model

The central goal of the Housing First approach is to provide permanent, affordable housing, followed by social and health services, to those in need. By providing housing assistance, case management, and supportive services after an individual or family is housed, communities can significantly reduce the time people experience homelessness and prevent further episodes of homelessness.

Housing First is an approach used for both first-time homeless families and individuals, and for people who are chronically homeless. For the chronically homeless, this is also referred to as "low barrier" housing because typically there are no preconditions that the participant be clean and sober to obtain shelter. Participants are housed with access to services such as mental health and addiction treatment on-site or nearby but are not required to use the services.

Generally, Housing First programs share these elements:

- A focus on helping individuals and families access and sustain permanent rental housing as quickly as possible;
- A commitment to permanent rather than temporary or transitional housing;
- Provision of social and health services following a housing placement;
- Services tailored to each individual's or family's needs; and
- Provision of housing that is not contingent on participation in services or treatment, only that participants comply with a standard lease agreement, and services are intended to help them do so successfully.

A central tenet of the Housing First approach is that social services that enhance individual and family well-being are more effective when people are in their own home than when they are living with the extreme stress of homelessness. While there are a wide variety of program models, all Housing First programs typically include:

- Assessment-based targeting of Housing First services;
- Assistance locating rental housing, relationship development with private-market landlords, and lease negotiation;
- Housing assistance ranging from security deposit and one month's rent to provision of a long-term housing subsidy;
- A housing placement that is not time-limited; and
- Case management to coordinate the services that follow a housing placement.

In addition to consistent evidence that Housing First programs increase housing stability among the chronically homeless, some evidence indicates this approach also reduces public costs of homelessness such as use of emergency rooms, police services, courts and jails, and public sanitation versus traditional treatment first programs. In 2023, HUD reported that the data is inconsistent, however, between individuals and families, specifically with healthcare costs and permanent supportive housing. What is clear is that the stable living environment facilitates more effective, and/or more cost-effective, outcomes than emergency rooms and incarceration.

Program models vary depending on the client population, availability of affordable rental housing, and/or housing subsidies and services. Housing First programs often reflect the specific needs and preferences of each community, further contributing to the diversity of models.

Homelessness

# Emergency rental assistance programs: A strategy for preventing homelessness

Emergency rental assistance prevents homelessness by helping residents avoid eviction. In addition to providing funds to address their immediate housing crisis, such programs also provide other support services to promote long-term stability.

Typically, these programs provide short-term (one to three months) or medium-term (up to six months) rental assistance for households with incomes up to 50% of the area median income that are at imminent risk of homelessness or have recently become homeless.

Individuals and families fall into a housing crisis and seek assistance for many reasons. Some of the most common are job loss, an unforeseen reduction in work hours, a medical emergency or disabling condition, limited income coupled with a rent increase, or the cessation of refugee resettlement assistance.

Rental assistance funds are used for immediate help with current or late rent, utility arrears, and legal or interpretation fees needed to stop an eviction action. Funds may also be used for credit and background checks needed to secure alternate stable housing, as well as security and utility deposits and moving costs.

In addition to receiving financial assistance, program participants may receive or be required to participate in services such as landlord negotiations, job search assistance, and money management and financial goal-setting training.

## Funding sources

Under the Affordable Housing Sales Tax Credit originally provided by **HB 1406** (passed in 2019), only counties 400,000 or less in population and cities 100,000 or less in population could use the tax funds to provide rental assistance to tenants who are at or below 60% of the median income of the jurisdiction. In 2023, **SB 5604** expanded that authority to all cities and counties. To participate in this tax credit, jurisdictions needed to meet 2020 deadlines to impose the tax.

In a 2021 survey, 24% of respondent cities reported using federal American Rescue Plan Act (ARPA) funds to provide rental and mortgage assistance.

Between July 1 and December 31, 2021, Seattle, in partnership with the United Way of King County, Urban League of Metropolitan Seattle, Wellspring Family Services, and numerous community-based organizations, distributed more than $26 million in emergency rental assistance to more than 6,000 households. This program, funded through ARPA, provided households with assistance to pay current rent as well as rental arrears. The largest portion of households who received aid (42%) had incomes less than 30% of Seattle's median income, with another 23% of recipients having an income between 30%-50% of the median. Funds also reached historically disadvantaged populations—44% of recipients identified as Black or African American and another 20% of recipients identified as another minority.

In 2026, the Legislature adopted amendments to the Housing & Related Services Tax (RCW 82.14.530) to allow rental assistance as an eligible use of 40% of the collected revenues.



Homelessness

# Severe weather services

Severe weather events are expected to become more frequent in the coming years because of climate change, and unsheltered individuals are particularly vulnerable to exposure.

Many local governments have developed inclement weather services, such as overnight shelters and daytime warming or cooling centers, for these individuals. Formally adopting policies and plans in advance of severe weather increases the likelihood that your community will have services available when the need is greatest.

Here are some examples of severe weather shelters across the state:

## Severe weather shelters (Overnight)

Severe weather shelters operate overnight to keep vulnerable individuals out of inclement weather. These systems are usually triggered when temperatures dip into the mid-to-low 30 degrees for a set duration. They can also activate in response to other weather conditions, such as heavy snowfall or a combination of cold temperatures with rain and/or wind. Some temporary shelters are open throughout the winter months. Some are managed by nonprofits and/or faith-based organizations, while others are maintained by municipalities using public facilities like community centers as temporary spaces. Funding is primarily provided by public entities, but it may also include private donations.

The City of Shoreline partners with the North Urban Human Services Alliance to operate a severe weather shelter when needed. See also Bellingham's Winter and Severe Weather Shelters.

## Warming and cooling centers (Daytime)

Warming centers are sometimes operated in coordination with nonprofit and/or faith-based organizations, but many municipalities will utilize facilities like libraries and activity centers, staffing these facilities with employees and/or volunteers. An example of a warming center activation notice can be found on Federal Way's website.

Although the exact weather conditions that lead to cooling shelter activation vary, indications of an upcoming heat wave and/or hot temperatures reaching 90 degrees are common triggers. An example of a cooling center notice can be found on Kirkland's website.

## Adding severe weather shelters to municipal codes

To solidify a severe weather response that protects unsheltered individuals and under-resourced households, Spokane codified activation criteria for inclement weather centers, including (1) warming centers, (2) cooling centers, (3) safe air centers, and (4) emergency centers for civil emergencies or other extreme events (Chapter 18.05.020).

As can be seen on the city's Extreme Weather Shelter and Resources website, Spokane has clear and well-established plans for the facilities, operators/staff, food/meal providers, and public communications for their winter shelters, safe air centers, and cooling centers. Additionally, the winter weather shelter information includes which populations the shelters serve, their capacity, operations, and other notes, such as if they are low barrier or operated by contract providers.

Other municipalities also have code provisions regarding severe weather shelters, such as Kelso and Lynnwood, that address the determination of severe weather events, permitting for severe weather shelters, and other regulations and requirements for their operations.

## Severe weather shelters in formal plans

The following policies are for everyone, not just those experiencing homelessness:

- Whatcom County's Climate Action Plan sets forth a strategy to create "resilience hubs," or public facilities that "can serve as life-saving cooling centers."
- The Climate Action Plan for the Territories of the Yakama Nation provides strategies and objectives to increase the availability of cooling centers, including an objective to "work with cities, schools, and churches to ensure availability of public emergency shelters and cooling centers and consider offering additional spaces at tribal facilities if necessary."
- Seattle's Comprehensive Emergency Management Plan lays out action items, such as developing and maintaining a list of locations and the capacity of current and potential warming centers, and assigns the Emergency Operations Center with the responsibility of public messaging and planning for shelter types, including severe weather shelters, cooling centers, and warming centers.
- Everett's Hazard Mitigation Plan identifies the need for more heating and cooling centers, suggests additional methods for informing the public about these centers, and provides benefits, costs, timeline, and priority of these actions.

## Pet sheltering

In 2025, the Legislature passed **HB 1201**, which requires temporary shelters to accommodate domesticated indoor pets. The session law was codified in RCW 38.52.610 and states that cities must "to the extent practicable based on available resources and site-specific circumstances, address cosheltering" of pets in each update of its emergency management plan. This law addresses shelters for individuals affected by an emergency or disaster. Under the law, when cities identify emergency shelters in response to a natural disaster or extreme weather event, it should, when practical, identify at least one coshelter.



Homelessness

# A primer on safe parking programs

Safe parking areas offer a temporary off-street option for individuals and families who are experiencing homelessness and using a car or recreational vehicle (RV) as their primary residence. These lots typically also offer these individuals access to volunteers who can provide them with food and clothing and connect them with on-site service providers who link them to employment, housing, and medical services.

Communities across the state have implemented safe parking programs, but many do not allow RVs. With a few modifications, including provision for proper waste disposal, funds for repairs, and limited hours, these programs could be tailored to include RVs.

## Site hosts, managing agencies, and services

Safe parking areas are typically hosted on land owned by governmental entities, religious organizations, or nonprofits. Hosts or sponsors may also manage or operate sites, or partner with social service agencies.

In seeking a managing agency, hosts will want to consider the population served so that services are tailored to guests' needs. The approach to services should be flexible enough to ensure a safe living environment and should consider the varied needs of all guests, from families with children to older adults. Some programs have an operations plan that includes all the details related to site management, maintenance, and services.

## Zoning and site requirements

Some communities restrict safe parking areas to certain zoning districts and host types (e.g., religious organizations). Some also require public meetings and/or permit approval. Yakima is one example of a Washington city that allows religious organizations to provide safe parking areas in any zone, provided they first hold a public meeting. Restrooms must be provided within a building or through portable facilities.

One important note specific to religious organizations is that per state law—RCW 35.21.915 (non-code cities) and RCW 35A.21.360 (code cities)—cities may not enact an ordinance or regulation, or take any other action, that imposes conditions other than those necessary to protect public health and safety and that do not substantially burden the decisions or actions of religious organizations in hosting shelters on property they own or control.

Site considerations include access to power and water, facilities for grey or blackwater disposal, and proximity to transit and services. If access to a building with heat and air conditioning during adverse weather conditions is not available, vouchers can be made available for motels or other ways for people to stay safe.

## Examples

Lake Washington United Methodist Church Safe Parking Program 2024 Gratitude Report

Vancouver Safe Parking Zone



Homelessness

# Best practices in siting shelters and transitional housing

Washington state passed **HB 1220** in 2021, amending the Growth Management Act and municipal code requirements (RCW 36.70A.070(2), RCW 35.21.683, and RCW 35A.21.430). The law requires local governments to plan for and accommodate housing affordable to all income levels and outlines specific zoning and development regulations for four different housing types: indoor emergency shelter, transitional housing, emergency housing, and permanent supportive housing (collectively, STEP). The Legislature passed **HB 2266** in 2026, adding another section to the Growth Management Act and amending the statues from Chapters 35 and 35A listed above with further restrictions on where and how cities allow for STEP housing types.

Under the law, cities cannot prohibit emergency shelter and emergency housing in areas where hotels or motels are allowed, and permanent supportive housing and transitional housing must be allowed in any zones where residential dwellings and hotels are allowed. Cities must allow for enough STEP housing units to accommodate each city's projected housing needs. Additionally, local restrictions related to development regulations, operating standards, conditions, or other requirements that differ from other types of lodging or residential development are prohibited, with some exceptions. Finally, if applying design review to STEP projects, the law now requires administrative design review only.

Washington cities are required to update their regulations to be consistent with the state regulations by June 11, 2028, or their next comprehensive plan update, whichever is sooner.

To encourage STEP, jurisdictions should adopt emerging best practices when developing their local ordinances. These practices include expediting permitting processes for STEP, incentivizing STEP, and encouraging STEP near existing infrastructure and services. These are further explained below.

## Promising practices

**Expedite permitting processes for STEP projects, thereby providing quicker, more predictable timelines that help prevent cost increases caused by project delays.**

For example, Seattle has implemented an expedited permitting process to encourage STEP production. Permanent supportive housing projects are now exempt from design reviews, which can help speed up their construction timelines and address issues of homelessness and housing insecurity more quickly. Another example includes the City of Port Townsend and Jefferson County, which worked closely together to expedite the permitting for a specific project that incorporates safe parking, a tiny house village, and permanent supportive housing on the same piece of county-owned property. Expedited permitting processes require sufficient staff, so jurisdictions interested in this strategy can start by assessing whether they need to hire additional employees to expedite reviews more efficiently.

**Provide land use and financial incentives to encourage more STEP production.**

Affordable housing and STEP developments face numerous challenges before they can reach the construction phase, and a lack of project financing is often one of the most significant barriers. To help STEP projects overcome this challenge, jurisdictions can play an important role by providing support through density bonuses, reduced or waived fees, regulatory exemptions, free or discounted land, grants or loans, and more. A few cities with incentives for affordable housing and STEP include Anacortes, Bellevue, Bothell, Burien, Marysville, Redmond, Sammamish, and Seattle. King County also established the Health Through Housing (HTH) Initiative, which uses its affordable housing sales tax funds to partner with host cities to create up to 1,600 emergency housing and permanent supportive housing units for people experiencing or at risk of chronic homelessness.

**Encourage STEP development in locations close to healthcare services, transportation, employment, and other amenities to promote economic mobility and access to services.**

Jurisdictions can support the development of successful STEP by being intentional about the location of STEP. Many communities throughout the state and the country encourage affordable housing and STEP development in areas where infrastructure and services are already present to promote sustainability, inclusivity, transportation, employment opportunities, and the overall well-being of residents.

**Partner with local service providers to create STEP regulations that are responsive to their needs.**

Affordable housing developers and service providers understand what is involved with developing STEP and how STEP operates. These stakeholders can help a local jurisdiction identify places in their code where the regulations may cause barriers to STEP development and identify ways to reduce or remove those barriers.

Communities can use these emerging best practices to encourage STEP production, accommodate local housing needs, and support STEP developers, clients, and staff. Implementing these practices can benefit some of Washington's most vulnerable populations, increase housing stability, promote community integration, and contribute to larger initiatives to tackle homelessness and housing insecurity in the state.

*Adapted from the Washington State Department of Commerce's* STEP State of the Practice Report *(2024).*

## Resources

STEP Resources (Commerce)

Permanent Supportive Housing Communications Toolkit (Commerce)

Health Through Housing Initiative (King County)

Homelessness

# A path forward: Fife's Jobs Program

Fife's location on I-5, adjacent to a major North American port, is what drives the city's economy. Unfortunately, it's also what drives its disproportionate homelessness challenge, due to the convergence of three state highways. In addition to developed highways, the state owns a significant amount of undeveloped right-of-way in Fife. During the pandemic, this undeveloped right-of-way became home to several large encampments. At the peak of the city's homelessness challenges in 2022, Fife had over 550 people living outdoors—most of them on state rights-of-way. To put that in perspective, that's roughly equal to 5% of the city's nighttime population or almost 100 people per square mile.

In addition, there was a lot of movement back and forth between state rights-of-way and city open spaces. One of those open spaces was the Hylebos Nature Area—a wooded park featuring a scenic walking trail. After spending $83,000 on one round of cleanup, which included providing services to residents and restoring the environment, the city knew that level of expenditure wasn't sustainable and sought a holistic solution.

## The Jobs Program

The Jobs Program is a 12-month program structured to provide training, support, and barrier reduction. The program is anchored in an integrated service delivery model that emphasizes personal and professional development on the journey to self-sufficiency.




The comprehensive three-pronged approach to stability simultaneously concentrates on employment, housing, and food and hygiene. The program applies a workforce development approach to homeless services by providing job training and skill development as participants learn to work alongside the Fife Parks Department, while earning an hourly wage as a maintenance worker. The program also assists with financial education and life skills to ensure a successful transition into employment and housing. A coaching approach is used rather than a counseling approach to involve participants in managing their own lives.

With compassion and accountability as its north star, the Jobs Program creates milestones each quarter for participants to achieve prior to moving to the next level. Participants are given additional responsibilities as they progress through the program. A typical week for participants is a balanced mix of workdays, training sessions, and appointments:

- On workdays, participants work within city parks to gain valuable hands-on experience.
- On training days, workshops are designed to enhance knowledge and capabilities, including opportunities to earn valuable certifications such as CPR/First Aid/AED, forklift operation, food handler card, and flagger training. The city collaborates with service providers to provide high-quality, targeted training in areas such as digital skills, career readiness, skill upgrading, and career exploration.
- Throughout the week, participants also have scheduled appointments to address health, dental, and other personal matters to ensure all areas of an individual's life are addressed.

Because housing is the main barrier, the city provides participants with a tiny home village—Forest Village—to live in as they work the program. Forest Village's location was carefully chosen to avoid impacting commercial or residential properties and reduce any unwanted attention. In addition to a secure place to sleep, Forest Village provides access to a fully equipped kitchen, shower, and other essential amenities to ensure a feeling of dignity and belonging as participants begin to build back their socialization skills in a safe and healthy environment. To support participants as they re-engage with mainstream society, the city hosts potlucks with city staff and invites participants to join city employees for holiday celebrations, summer BBQs, and staff appreciation events.

Within Forest Village, the city strongly encourages peer-to-peer support, promoting a culture of encouragement and shared growth. The on-site office allows intensive case management appointments and training programs that are designed to equip participants with various skills to help them obtain employment in their individualized career path.

The Jobs Program is just one piece of a successful larger approach Fife is using to address homelessness, including ongoing partnerships with social service agencies to offer housing and other services to people living outdoors, and a weekly interdepartmental meeting on homelessness to coordinate efforts and address any new sites as quickly as possible.

*Special thanks to the City of Fife for providing content for this article.*



## The funding puzzle

- Federal – $350,000 American Rescue Plan Act + $3.5 million congressional earmark to fund the program from July 2025 to spring 2030
- State – $365,000 + $500,000 per year for operations until June 2025, plus community court funding
- Local – Contributions from Pierce County and Port of Tacoma for outreach

Homelessness

# Turning hotels into housing

Organizations focused on sheltering people experiencing homelessness, including local governments, are recognizing the value in shifting away from traditional emergency shelters to more innovative housing solutions. Hotels provide several benefits that people do not receive in a traditional shelter setting. Individual rooms and private bathroom facilities allow for families to stay together and give residents more dignity in their living space. COVID-19 prompted an increased awareness and use of hotels as a non-congregate shelter option in Washington, but the hotel model has been used in California for decades.

## Benefits of the hotel model

In response to public health advice, King County began to replace or add space for existing congregate shelters by placing individuals experiencing homelessness into group hotels in April 2020. Researchers at the University of Washington (UW) studied the county's approach and found that not only did the hotels limit the spread of COVID-19, the primary goal of the program, it resulted in additional favorable outcomes for project participants. During the period that the project participants were interviewed and studied, the UW researchers found that they were less likely to end their services and exit from the homeless response system. When they did exit, however, it was more likely that it was into permanent housing. These results were attributed to residential stability and increased feelings of safety among participants. Other beneficial outcomes participants in this program experienced included reduced interpersonal conflicts, as demonstrated by a decrease in 911 call volumes, and providing more time to think about future goals, such as securing permanent housing, applying for jobs, or obtaining additional education.

## Hotel model option: Acquisition

As of December 31, 2023, King County's Health Through Housing Initiative had purchased 16 hotels and other buildings consisting of 1,358 housing units. Its goal is to create and operate 1,600 units of affordable housing with services.

In Clark County, the Vancouver Housing Authority recently partnered with the Clark County Community Services Department and the City of Vancouver to buy a hotel to serve as a non-congregate living shelter, with the daily operations of the hotel to be provided by Catholic Community Services, a nonprofit. When funding for the shelter runs out, the Vancouver Housing Authority plans to convert the facility into permanent affordable housing.

One of the clear challenges of outright purchasing a hotel or motel property for non-congregate living is the large initial capital investment. Many municipalities decide to lease properties or units for a fixed amount of time, but these approaches may prove to be more costly over the long run and restrict the flexibility of the housing option. For the Vancouver Housing Authority, the hotel that was acquired will still serve as permanently affordable housing even as funding for the shelter is depleted.

With recent federal and state grant programs, higher up-front costs may be easier to navigate, and interlocal cooperation may make operational considerations more manageable.

## Hotel model option: Master leasing

Master leasing programs typically acquire sites—frequently single-occupancy hotels—under long-term leases with building owners to provide housing for people who are homeless. The building owner retains responsibility only for large capital improvements after the lease is signed. The sites are managed by nonprofit organizations that provide property management and supportive services on-site. Building owners often renovate residential and common areas prior to lease signing.

An alternative strategy for master leasing is sometimes referred to as a master rent subsidy agreement. This form of master leasing involves an agreement between a city and a building owner in which the city takes on some responsibilities and costs for the owner to provide temporary housing but does not offer subleases to tenants. For example, a city may take on a limited amount of costs for vacant units or for certain repairs or maintenance, as well as identifying potential tenants. But the eventual lease is between the owner and the tenant.




Many nonprofits and some cities throughout the country have adopted master leasing programs. Master leasing programs have also been used to provide permanent supportive housing for adults experiencing homelessness. Such programs follow a Housing First model, described earlier in this toolkit.

The benefits of master leasing include the ability to bring units online rapidly, and the reliance on private capital for up-front renovation costs. In addition, the renovated buildings, combined with on-site services, stabilize properties that have often been problematic for the surrounding neighborhood. A study by the Urban Institute called Master Leasing in Los Angeles identifies other opportunities and limitations of this strategy.

## Resources

Health Through Housing (King County)

Housing Authority (Vancouver)

Master Leasing (Los Angeles)

Homelessness

# Tiny house villages as permanent supportive housing

Tiny house villages offer a lower-cost way to provide safe housing and benefits of community living and peer support for people recovering from homelessness.

The term "tiny house" covers a wide range of structures and program models. Some are permanent structures with heat, plumbing, and other amenities that will last for many decades; others are less expensive, impermanent, unheated, and unplumbed. Village program models also vary.

## Quixote Village: Olympia

Located on a two-acre site in Olympia, Washington, Quixote Village consists of 30 cottages wrapped around a central open space and a 2,640 square foot community building that includes a communal kitchen, dining and living room, showers, laundry facilities, and staff offices. The village provides permanent supportive housing for adults experiencing homelessness, including individuals with mental illness, people with physical disabilities, and those recovering from addiction.

Financing for the program's development was provided by:

- $1.5 million in the state capital budget, which came through the state Department of Commerce's Housing Trust Fund;
- $699,000 from federal Community Development Block Grant funding that came through Thurston County and the City of Olympia;
- $170,000 in Thurston County funding from document recording fees. Thurston County also leased the site (estimated at $333,000) for $1 a year for 41 years; and
- $215,000 in community donations, including the Nisqually Tribe, the Chehalis Tribe, the Boeing Employees' Fund, and individual donors.

The total cost of the village was just over $3 million, or about $100,000 per unit. The village meets the state's green building code and all local building codes.

The village has a program supervisor, two case managers, an executive director, associate director, and two program specialists.

## Emerald Village: Eugene

Emerald Village in Eugene, Oregon, is an affordable tiny home community developed by SquareOne Villages. It builds upon the success of Opportunity Village Eugene, a transitional micro-housing community for otherwise homeless individuals and couples. This next iteration of the village model provides a permanent, accessible, and sustainable place.

As a new and innovative approach to affordable housing, the capital costs have been funded by small grants, private donations, and in-kind gifts from individuals, businesses, and institutions in the surrounding community. In fact, over 200 local businesses contributed to the project in some way. As a result of this outpouring of support, it cost around $55,000 per unit to build Emerald Village, including the cost of land.

Teams of local architects and builders provided in-kind services to lead the design and construction of 14 of the 22 tiny homes at Emerald Village, allowing for the demonstration of a variety of compact design and construction methods. SquareOne led the design and construction of the other eight homes using structural insulated panels (SIPs).

Each of the homes at Emerald Village is designed as permanent dwelling on a slab foundation complete with sleeping and living areas, a kitchenette, and a bathroom in just 160 to 288 square feet of space. The individual dwellings are supported by a "Community ClubHouse" that includes a flexible use gathering area, community kitchen, laundry, restroom, and storage of common resources like tools and other appliances.

Members make monthly payments of $200-$300 to the cooperative to cover utilities, maintenance, long-term reserves, and all other operating costs. Each member also pays a membership fee of $50 per month—enabling them to create a modest asset that can be cashed out if, and when, they choose to leave. SquareOne retains ownership of property in trust to assure continued affordability to future members of the cooperative.

Unlike most affordable housing projects, residents of Emerald Village are not simply renters; they are members of a housing cooperative. They realize affordability through shared resources, self-management, and operating at-cost. A community agreement outlines a basic code of conduct that all residents must agree to abide by, and each resident is an active participant in helping to operate and maintain the village.

By combining the benefits of cooperative housing with safe and cost-effective tiny houses, Emerald Village offers an accessible and sustainable housing model that can be implemented in other communities.

## Veterans Villages: Orting and Shelton

The Orting Veterans Village is a permanent supportive tiny house village serving 35 previously homeless veterans living in Pierce County operated by New Horizon Communities (formerly Quixote Communities) and developed in partnership with the Washington State Department of Veterans Affairs (WDVA) and the Puget Sound Veterans Hope Center. WDVA leased five acres at the Washington Soldiers Home in Orting for the project. Because of the pandemic, a phased move-in was necessary, with doors opening in May 2021.

The Village cost approximately $5 million to build—about $135,000 per tiny home—and was funded via:

- Washington State Housing Trust Fund – $3,260,000
- Pierce County – $480,000
- Federal Home Loan Bank – $800,000
- Washington State Department of Commerce – $549,575
- United Way – $50,000
- Washington Department of Veterans Affairs land donation value – $140,000

To operate, the Pierce County Housing Authority provides 25 project-based vouchers (like Section 8 vouchers) to supplement residents' rent to help with operating costs. The village also partners with Veterans Affairs to provide 10 Veterans Affairs Supportive Housing (VASH) vouchers. A grant award from Pierce County and Commerce provides operating, maintenance, and program support funds. The village also engages in community and foundation fundraising.

The Shelton Veterans Village houses chronically homeless veterans in Mason County, Washington, and opened in the summer of 2023. It was developed and operated by New Horizon Communities and includes 30 fully furnished tiny home units with a .75 bath, including shower. There is a 2,500 square feet community center that provides a large communal kitchen, extra bathing facilities, laundry facilities, program services, a dining area, and three staff offices.

The Village cost $6.5 million to build and was funded via:

- Housing Trust Fund – $4.7 million
- Federal Home Loan Bank – $1 million
- Mason County – $190,000
- Norcliffe Foundation – $15,000

On-site, staff work one-on-one with residents and act as resource navigators and care coordinators. Beyond case management, New Horizons Communities provides transportation for residents and payment plans to provide flexibility with their rent.

### Resources

The Tiny House Community Network



# Factors that increase the likelihood unhoused people will seek out shelters

Some unhoused individuals may avoid shelters based on their past experiences, while others avoid these spaces because of societal perceptions. Some of the actual and perceived barriers that keep these individuals out of shelters include:

- Too few beds;
- Locational challenges;
- Age requirements;
- Sobriety requirements;
- Pet restrictions;
- Risk of disease;
- Fear of theft; and
- Fear of danger.

Strategies to reduce barriers that prevent unhoused individuals from seeking shelter include:

- **Housing First approach.** Anyone can access shelter efficiently and without prerequisites. Further, shelter residents are not required to use services, like mental health counseling, but have access to these services if they wish to use them.
- **Safe and appropriate diversion.** Divert housing-unstable individuals to appropriate housing alternatives instead of shelters when possible.
- **Housing-focused, rapid access services.** Social service providers work with shelter residents to find permanent housing.
- **Immediate and low-barrier access.** Entrants are not screened out or removed for their:
  - Income or financial history;
  - Criminal history;
  - Drug or alcohol history or status;
  - Victim status;
  - Residency status;
  - Failure to make progress on service plans; or
  - Non-participation in treatment or supportive services.

The following four case studies describe successful shelter programming across Washington.

## County/cities shelter partnership

The Skagit Friendship House's First Step Center provides 45 low-barrier cabins with locking doors, electricity, climate control, and communal bathroom facilities. Residents also have access to medical care, mental health and substance use treatment, and employment services.

Additionally, the county recently partnered with the cities of Anacortes, Burlington, Mount Vernon, and Sedro-Woolley to address the homelessness crisis beyond providing temporary housing. The project, called North Star, addresses behavioral health and housing issues by offering housing vouchers, improving Coordinated Entry processes, and connecting those in crisis to resources that could keep unsheltered individuals out of jails and emergency rooms.



## Enhanced shelter

In 2021, Shoreline, Lake Forest Park, Kenmore, Bothell, and Woodinville entered an Interlocal Agreement for Homelessness Services with the King County Regional Homelessness Authority (KCRHA). KCRHA purchased a former nursing home in 2021 and then selected Catholic Housing Services to take ownership of the property.

The North King County Aurora Oaks Enhanced Shelter (The Oaks) provides necessities like meals, bathrooms, and laundry facilities along with case management and health services. Residents may remain there if they can "maintain behaviors that are safe in a community setting." The long-term plan remains to build new supportive housing on the site.

## Shelter Me Spokane dashboard

Spokane-area municipalities and a local health district developed a dashboard called Shelter Me Spokane that provides real-time information on shelter capacity across the region. In addition to displaying how many beds remain at several local shelters, viewers can identify shelter locations, check-in times, populations served, weather forecasts, and time stamps of when this information was provided.

Spokane's dashboard helps to prevent residents from traveling to shelters only to find they have no more beds.

## Diverse shelter options

In 2026, Tacoma has 620 permanent shelter beds and 305 temporary and emergency shelter beds. Temporary and emergency city-contracted shelter providers must offer, at minimum, fences, hand-washing stations, garbage services, bathroom facilities, electricity, and drinkable water.

A few of the different shelter types funded in part or fully by the city include:

- A former hotel;
- Micro-shelter sites, including one that offers micro-shelters in a temperature-controlled tent;
- Mitigation sites with tents;
- Safe parking sites; and
- Additional congregant-style sheltering in temporary locations.

As of April 2026, the emergency and temporary funded sites have had 2,222 total exits to permanent housing and have served 5,275 clients.

### Resource

Seattle University School of Law: Shut Out: How Barriers Often Prevent Meaningful Access to Emergency Shelter

Affordable housing

# How cities are using sales tax revenue-sharing proceeds to make local investments in housing

In the 2019 legislative session, the state approved a local revenue-sharing program for local governments that provides up to 0.0146% of local sales and use tax credited against the state sales tax for housing investments, available in increments of 0.0073%, depending on the imposition of other local taxes and whether a city's county also takes advantage (**HB 1406** codified in RCW 82.14.540).

If the city decided to access it and met the 2020 deadlines, the tax credit is in place for up to 20 years.

## Annual maximum distribution cap

The law set a cap on the maximum sales tax revenues to be credited to local government within any state fiscal year (July 1 to June 30). The cap was calculated based upon the jurisdiction's taxable retail sales during the state's 2019 fiscal year (July 1, 2018, to June 30, 2019). Just like the state-shared revenue cycle, distributions start July 1, and the state will cease distribution until the beginning of the next fiscal cycle if distributions meet the cap at any time during the fiscal period.

## Eligible uses of the funds

The Legislature amended the law in the 2023, 2024, and 2026 sessions to expand the eligible uses of the tax revenue to include the following:

- Projects must serve people at or below 60% of the area median income of the county or city imposing the tax for rental units and at or below 80% of the area median income for homeownership units.
- Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services. In addition to investing in traditional subsidized housing projects, this authority could potentially be used for land acquisition, down payment assistance, and home repair, so long as recipients meet the income guidelines.
- Funding the operations and maintenance costs of new and existing units of affordable or supportive housing.
- Rental assistance to tenants.
- Up to 10% of funds to be used for administrative costs.
- Issuing bonds to finance the authorized projects.

## How cities are using the funds

Based on the Washington State Department of Commerce's 2025 annual report, 127 jurisdictions (37 counties and 90 cities) received distributions from the Affordable and Supportive Housing Sales and Use Tax, for a statewide total of $26.9 million. Twenty-eight of the jurisdictions participated in interlocal partnerships to pool resources. These jurisdictions were located in Benton County, Chelan County, Douglas County, Franklin County, Jefferson County, North King County, South King County, and Thurston County.

The majority of jurisdictions did not expend funds in 2025. Of those that did commit or spend resources, 16 invested in capital construction, 15 in rental assistance, and 14 for operations and maintenance.

Cities sometimes focused their efforts on specific subpopulations. For instance, some cities focused resources on families with children, seniors, or people with disabilites.

Affordable housing

# Recent state laws require increased housing capacity

State laws have been amended several times in recent years to expand the state's housing supply and help address the ongoing affordable housing crisis.

Two of the more significant changes took effect in 2023, addressing "missing middle" housing and accessory dwelling units. In short, these two session laws require many local governments to revise their regulations to allow for a greater number and increased types of housing in areas traditionally dedicated to single-family detached housing.

Another significant change passed in 2026, **SB 6026**, requiring Growth Management Act (GMA) planning cities 30,000 or more in population to allow residential uses in areas zoned for commercial or mixed-use zones.

The major aspects of these laws are summarized below.

## Middle housing

**Middle housing** (also called "missing middle" housing) refers to those housing types between single-family residences and mid-rise, multifamily development. Middle housing types included in the new state law are duplexes up to sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

RCW 36.70A.600-.699 requires GMA planning cities, within six months after their periodic update due date, to allow certain minimum densities for middle housing. It does not apply to counties or unincorporated areas.




*Image © Opticos Design, Inc. | For more information visit www.missingmiddlehousing.com.*

**The Washington State Department of Commerce identifies 77 cities that this legislation applies to, based on 2020 U.S. Census data, divided into three tiers. The following is an outline of the requirements:**

| City population | Minimum number of housing units that must be allowed per lot in predominantly residential zones | NEAR A MAJOR TRANSIT STOP: Minimum number of housing units that must be allowed per lot within ¼ mile walking distance of major transit stop in predominantly residential zones | WITH AFFORDABLE HOUSING: Minimum number of housing units that must be allowed per lot with affordable housing in predominantly residential zones where density in applicable zone does not otherwise allow this number |
|---|---|---|---|
| TIER ONE: Cities with population of at least 75,000 | Four units per lot, unless zoning permits higher densities | Six units per lot, unless zoning permits higher densities | Six units per lot if at least two units are affordable, unless zoning permits higher densities |
| TIER TWO: Cities with population of at least 25,000 but less than 75,000 | Two units per lot, unless zoning permits higher densities | Four units per lot, unless zoning permits higher densities | Four units per lot if at least one unit is affordable, unless zoning permits higher densities |
| TIER THREE: Cities with population under 25,000 that are contiguous with a UGA that includes the largest city in a county with a population over 275,000 | Two units per lot, unless zoning permits higher densities | N/A | N/A |

**Middle housing types:** City zoning codes must allow at least six out of the nine listed types of middle housing to achieve the unit density requirement:

1. Duplexes
2. Triplexes
3. Fourplexes
4. Fiveplexes
5. Sixplexes
6. Townhouses
7. Stacked flats
8. Courtyard apartments
9. Cottage housing

Cities are not required to allow middle housing types beyond the unit density requirement.

Other major provisions of the new missing middle housing requirements include:

- **Accessory dwelling units (ADUs):** A city may allow ADUs to achieve the unit density requirement, but a city is not required to allow ADUs beyond the unit density requirements.
- **Alternate density requirement:** A city may choose to limit implementation of the density requirements to 75% of lots that are primarily dedicated to detached single-family houses, subject to specific conditions included in the new state law.
- **Exceptions to density requirements:** There are a limited number of exceptions where a municipality does not need to accommodate middle housing, such as for lots designated with critical areas and their buffers.
- **Adequate water and public sewer:** Density requirements can be reduced in lots within a city that do not have adequate water supply or public sewer service.
- **Required parking:** There are restrictions on how much on-site parking can be required, with a sliding scale for smaller-sized lots. No on-site parking standards may be applied to middle housing located within a half-mile of a major transit stop.
- **Design review:** If design review for residential development is required locally, it can only be administrative review (i.e., conducted by staff and not by an appointed design board) for middle housing, with the use of clear design standards that are not more restrictive than those required for detached single-family houses. Please note that **HB 1293** establishes a requirement for clear and objective design review standards for the exterior design of new development (beyond that covered by **HB 1110**).
- **SEPA exemption:** A State Environmental Policy Act (SEPA) categorical exemption is established for regulations that remove parking requirements for new middle housing development projects.
- **Implementation extensions:** Process and criteria are provided for extensions of implementation when requested by a local government.
- **Technical assistance:** The Department of Commerce is tasked with providing guidance, a model ordinance, and other related assistance to local governments.

## Accessory dwelling units

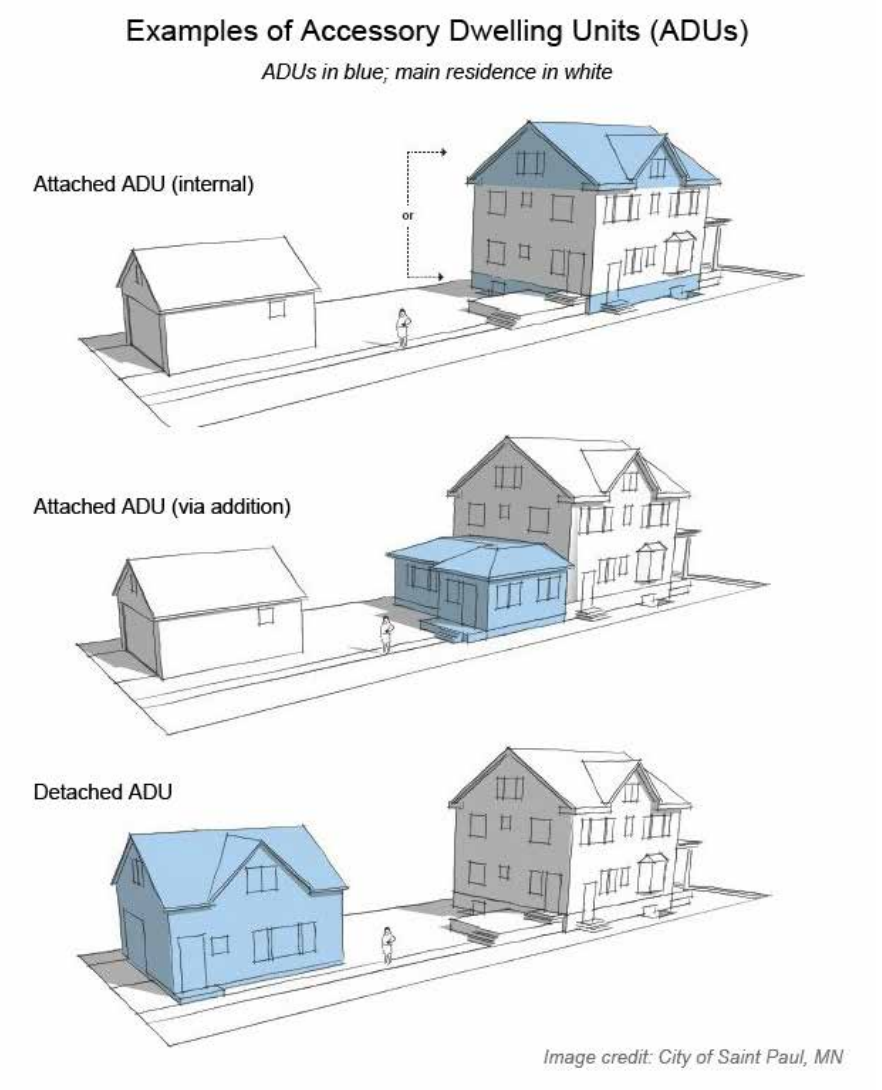
Accessory dwelling units (ADUs) have been around for decades. In many parts of Washington, the concept is accepted, and local governments have revised their regulations to accommodate such housing. Even so, the number of ADUs created in accordance with local standards has remained relatively low, due in part to the difficulty in meeting those regulations and the associated costs. In response, local governments are reconsidering their standards and discussing how to make them easier to meet.

### What is an ADU?

An ADU is a small, self-contained residential unit located on the same lot as an existing single-family home. They are sometimes referred to as "mother-in-law apartments." An ADU has all the basic facilities needed for day-to-day living independent of the main home, such as a kitchen, sleeping area, and bathroom.

RCW 36.70A.681 requires all GMA-planning local governments—regardless of population and including counties (unincorporated urban growth areas) as well as cities—to revise their regulations as needed to conform with the following new requirements within six months after their periodic update due date:

- **Minimum number of ADUs per lot:** Unless it exceeds a city's unit density requirement under the middle housing law (see previous section), two ADUs per lot must be allowed in all GMA urban growth areas for lots that meet the minimum lot size required for the principal housing unit. Local regulations must permit ADUs to be attached, detached, or a combination of both types. In addition, a conversion of an existing structure, such as a detached garage, must be allowed.




- **Maximum ADU size standard:** Local governments may not require ADUs to be smaller than 1,000 gross square feet in size.
- **Dimensional standards:** Local governments may not impose setback requirements, yard coverage limits, tree retention mandates, or restrictions on entry door location that are more restrictive than those required for the principal unit.
- **Street improvements:** Local governments may not require street improvements as a condition of permitting ADUs.
- **Owner occupancy:** Local governments may not require owner occupancy for a principal unit or ADUs.

- **Condominium sales:** Local governments may not prohibit the sale or other conveyance of a condominium unit independently of a principal unit solely because it was originally built as an ADU.
- **Design review:** Local governments may not impose aesthetic standards or requirements for design review that are more restrictive for ADUs than those for principal units. Please note that RCW 36.70A.630 establishes additional requirements for clear and objective design review standards for the exterior design of new development.
- **Required parking:** There are restrictions on how much on-site parking can be required, with a sliding scale for smaller-sized lots. No on-site parking standards may be applied to ADUs located within a half-mile of a major transit stop.
- **Impact fees:** Impact fees for ADUs are limited to no more than 50% of those assessed to the principal housing unit.
- **Common Interest Communities:** After July 23, 2023, new "Common Interest Communities" (for example, a new subdivision with a homeowners' association) are prohibited from adopting covenants, conditions, and restrictions (commonly called **"CC&Rs**") that would limit the construction of ADUs on any lot. Existing CC&Rs, however, are not impacted by the new law and may remain in effect.

More recently, RCW 84.36.383 was amended in June 2024 to extend the senior citizen and disabled persons property tax exemption and qualification for deferral programs to one detached ADU.

In addition, some cities are providing a set of pre-approved architectural plans that meet the city requirements and reduce the cost to build an ADU. To streamline the permitting process for homeowners who want to add an ADU on their property, the cities of Olympia, Tumwater, and Lacey have teamed up with the local architect firm Artisans Group to design four ADU plans. This takes the cost of the design work out, and since the building plans are preapproved, the permitting process is streamlined because the city will only need to approve the site. Of course, the cost to build an ADU is still significant and can vary as there are many factors, such as the cost of utility connections, any site work that needs to be done, and the quality of the finishes used for the ADU's interior.

Regardless of how local governments decide to regulate them, ADUs may be a viable approach to address a community's growth and affordable housing goals. If your city is subject to the changes in law, it is highly recommended that you start early to develop your development standards. It could take nine to 12 months to create and adopt the necessary changes to your ADU regulations, so do *not* wait until your comprehensive plan has been adopted before starting work on any required land use regulatory revisions.

## Housing in commercial zones

State law now requires GMA cities with a population of 30,000 or more to allow housing in commercial and mixed-use zones, with several exceptions for environmentally sensitive or historic areas. Cities are prohibited from requiring a development to include mixed use or first-floor retail or commercial in more than 40% of the land zoned as commercial or mixed use. Cities have the flexibility to determine how to allocate the land under a ground-floor commercial restriction, whether by focusing solely on frontage acreage, entire commercial parcels, partial parcels, or a mix of each method to add up to 40% of total commercial land. However, cities cannot require mixed use or ground-floor commercial or retail for projects proposing to develop publicly subsidized affordable housing. Publicly subsidized housing is defined under the law as any housing that receives or otherwise qualifies for an exemption from real and personal property taxes under RCW 84.36.560.

The law exempts the following areas from the preemption on ground-floor commercial, so these are subtracted from the commercial land base prior to calculating the 40%:

- Transit station areas;
- Areas within the city that allow—by right or through an incentive—building heights of at least 85 feet; and
- Areas exempt from the requirement to allow housing in commercial and mixed-use zones.

Cities have until December 11, 2027, to adopt ordinances to comply with **SB 6026** but are not required to update their growth and development assumptions until their next GMA comprehensive plan update required after January 1, 2031.

Affordable housing

# Protecting your community's naturally occurring affordable housing

Rising rental rates and home prices have made affordable housing an increasingly challenging issue for many households. While much attention has focused on ways to encourage new affordable housing units, it is important to recognize the role of naturally occurring affordable housing (NOAH), which exists in almost all communities in our state and throughout the U.S. The need to preserve this type of housing is being recognized and acknowledged by an increasing number of Washington jurisdictions.

## How is NOAH defined?

There is no official state definition, but NOAH generally refers to residential properties that are not subsidized by any federal or state programs, with rents and purchase prices that are relatively low compared to the regional housing market. These properties usually include older apartment complexes, older single-family homes, and housing in manufactured housing communities.

## Why is NOAH important?

Naturally occurring affordable housing provides options for individuals and families that might otherwise be priced out of local housing, especially in a hot housing market. NOAH often serves lower-income families, seniors, and working-class individuals who are crucial to a community's fabric but are typically not the target audience for new, market-rate residential developments.

Maintaining and renovating existing affordable housing will almost always be more financially feasible than building new residential units. The 2015-2022 Washington statewide average cost to build one unit of new multifamily housing was $307,407—much higher than the average cost of preserving an existing apartment unit, even if significant renovations are needed.

A major obstacle for new affordable housing developers is finding land that is physically available and financially feasible for development. One factor is whether the proposed development will generate local opposition, which can add costly delays. Accordingly, another benefit of longstanding NOAH is that the housing units are presumably accepted by the community.

A major challenge to preserving NOAH is that, as property values rise in an active real estate market, there is pressure for NOAH owners to either update these older properties for higher rents or sell them to a developer who will likely demolish the existing units to build market-rate housing. Such cases usually lead to increased housing costs and the strong potential for current residents to be displaced.

In addition, NOAH properties sometimes suffer from underinvestment by their owners, which can lead to deteriorating conditions for current residents and/or an increased likelihood of redevelopment.

## What can cities do to protect NOAH?

There are several actions that cities and other public agencies can take to maintain NOAH in their communities, including:

1. **Policy support:** Policymakers can adopt policies and create programs to protect NOAH from being redeveloped into high-end housing. Measures like tenant protection laws can help maintain the affordability of these crucial properties.
2. **Preservation initiatives:** Local governments and housing organizations can implement preservation strategies, such as providing incentives for property owners to maintain and improve their buildings without significantly raising rents. Programs like Tacoma's Historic Preservation Program and the Regional Equitable Development Initiative (REDI) Fund exemplify this approach.
3. **Community land trusts:** Nonprofit community land trusts (CLTs) can protect NOAH properties by purchasing and managing them, thereby preventing market pressures from driving up rents and ensuring long-term affordability. For example, the Homestead CLT works to both preserve existing and build new affordable housing units.

## Local policy examples

Many comprehensive plans and housing actions plans already address NOAH. The Washington State Department of Commerce's Guidance for Updating Your Housing Element (Book 2) includes a lot of very useful information about NOAH, including many policy examples in Appendix C, such as:

- Encourage and support efforts to maintain opportunities for lower-cost housing where relatively affordable housing exists through preservation or other efforts and particularly in centers where most redevelopment pressure will occur. [Housing Policy HO-41, Redmond Comprehensive Plan, 2011]
- Encourage property owners to take advantage of existing maintenance and preservation programs, services, and resources, including the Historic Preservation Tax Credit. [Housing Element – Maintenance & Preservation: Policy 3, Wenatchee Urban Area Comprehensive Plan, Updated 2023]
- Encourage the rehabilitation, relocation, and reuse, rather than demolition, of existing housing. [Housing Chapter Policy H-34, Bellingham Comprehensive Plan, 2016]

## Conclusion

Addressing affordable housing will continue to be a challenging issue in our state. It is important for all interested parties, including local governments, to understand and evaluate the mechanisms that are available to effectively address our housing problem and use as many as determined to be locally feasible. Preserving and protecting naturally occurring affordable housing in your community deserves serious consideration.

### Resources

Mecklenburg County – Housing & Homelessness Dashboard - Housing & Homelessness Myths Busted: Naturally Occurring Affordable Housing

National League of Cities: What is Affordable Housing? (2024)

Affordable housing

# Using affordable housing zoning to minimize displacement

One action step that is often taken to increase the housing supply is to change local zoning, or to 'upzone,' to allow for a greater amount of housing in the same amount of space. One unintended consequence of such upzoning, however, is the potential for an increased risk of gentrification and displacement. A relatively new zoning tool is being used that could potentially address this risk: affordable housing overlay zones.

## What is gentrification and displacement?

The Puget Sound Regional Council (PSRC) offered the following definitions in the draft environmental impact statement for its multicounty regional plan, VISION 2050:

- Gentrification is the influx of capital and higher-income, oftentimes more highly educated, residents into lower-income neighborhoods.

- Displacement is the involuntary relocation of current residents or businesses from their current residence. This is a different phenomenon than when property owners voluntarily sell their interests to capture an increase in value. Physical displacement is the result of eviction, acquisition, rehabilitation, or demolition of property, or the expiration of covenants on rent- or income-restricted housing. Economic displacement occurs when residents and businesses can no longer afford escalating rents or property taxes. Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses have left the area.

Broad rezoning efforts often result in gentrification and displacement for the most marginalized families and individuals. One common assumption is that increased housing supply will result in lower housing prices. While this supposition is broadly true, especially on a macro scale, it does not always result in an increased amount of housing that is affordable to low- and low-moderate-income households (such as those at 50-80% and 80-100% area median income levels), especially in hot real estate markets where demand greatly exceeds supply. How to address those unintended consequences is a complicated issue for any local government to tackle.

## A new approach: Affordable housing overlay zones

Creating affordable housing overlay zones (AHOZ) is a relatively new approach being considered by several communities throughout the U.S. to address the issue of gentrification and displacement that can result from upzoning. This type of overlay zone would be added to a local government's zoning map and zoning/ development codes, which would provide substantial density bonuses (beyond traditional density bonuses) and other development incentives for housing projects with high percentages of below-market-rate housing units. While it appears that this specific AHOZ tool has not yet been used in Washington state, it has been adopted and incorporated into local zoning codes in other parts of the U.S.

How does an overlay zone system actually work? In essence, an overlay zone 'floats over' existing, designated zone(s) on the zoning map and affixes to a specific parcel only if a developer met certain conditions. For example, a sample city's AHOZ program might look like this: Single-family zoning standards would apply to all parcels within a designated 'single-family zone' and would only allow single-family residences to be built at a set intensity level, unless a developer proposed a 100% affordable housing project on a specific development site. If that proposal met the program requirements, then the AHOZ would be triggered and 'overlaid' onto that piece of property, which would allow the increased density and height limits, as well as expedited development review.

## Benefits of an AHOZ

Affordable housing development is challenging and difficult, due in part to:

- High land costs;

- Competition from market-rate developers who can usually afford to pay more than nonprofit and public affordable housing developers; and

- Discretionary review (such as those triggered by a 'conditional use' designation), which can add significant cost, unpredictable delays, and risk for any housing developers.

AHOZ density bonuses allow more units per acre to be built, which reduces the per-unit cost. Because the density bonus will likely only be used by nonprofit and public housing developers, the market price of land will presumably be based on how the land could be developed without the density bonus, which should make it easier for those types of developers to acquire land for their housing projects. Treating AHOZ projects as 'by right' permitted uses in a zoning code will reduce the extra time and expense needed when an applicant is required to go through a discretionary development review process, such as those typically required for conditional uses.

### Resources

UC-Berkeley, Terner Center for Housing Innovation Case Study: Affordable Housing Overlay Zones: Oakley, April 2019



Affordable housing

# Dealing with displacement in your comprehensive plan

As cities and counties accommodate new residential development, gentrification and displacement of existing households often occur in tandem. For local governments, finding the right balance between encouraging and incentivizing new development while reducing the risk of gentrification and displacement can be challenging.

Gentrification is caused by changing preferences and new development, with the influx of new people and capital into established, often lower-income areas. While gentrification and displacement can affect anyone, it disproportionately impacts renters, BIPOC (Black, Indigenous, and People of Color) communities, and people with low incomes. This can lead to worsening inequities across a community, since displaced residents lose neighborhood ties, resources, and even communal identity. Keeping people in their current homes and neighborhoods can strengthen communities and improve quality of life for many.

## Types of displacement

Displacement manifests in many ways, but the three most identified categories are:

- **Economic displacement**. Occurs when increasing housing costs create pressure, forcing a household or business to move to a less expensive location.
- **Physical displacement**. Occurs when a project, such as building demolition, renovation, or infrastructure, creates such adverse conditions that a resident can no longer physically stay in their unit. For example, when an existing apartment building is purchased and then demolished to accommodate a new, higher-density development project.
- **Cultural displacement.** Occurs when changes render a neighborhood quite different and many cultural institutions leave, creating a sense of isolation for long-term residents.

The Washington State Department of Commerce's (Commerce) Displacement Risk Map shows that displacement is a statewide issue, though at varying levels. Displacement is a problem with serious consequences for communities. For affected individuals and groups, being displaced can often mean being forced to move from their current neighborhoods to areas with diminished quality of life. Displacement can also result in increased regional inequality, as newly gentrified areas are often characterized by an influx of higher-income households and reduced socio-economic diversity.

## Planning for anti-displacement

Due to displacement's adverse effects on the social, economic, and physical well-being of community members, many local governments in Washington are working to reduce displacement and mitigate its future impacts.

The passage of **HB 1220** in 2021 requires all counties and cities planning under the Growth Management Act (GMA) to include anti-displacement measures in their upcoming periodic comprehensive plan updates. Although some cities have been incorporating anti-displacement polices in their housing elements prior to the requirement (Oak Harbor and Renton are two examples), two cities that have directly addressed displacement in detail are Tacoma and Vancouver.

## Case study: Tacoma

High and rising housing costs in Tacoma have led to significant housing uncertainty across the city. Tacoma's Anti-Displacement Strategy was adopted in February of 2024 and includes many strategies to prevent rising housing costs and displacement. The plan contains 21 actions that fit into the following four categories:

- Create more homes for more people
- Keep housing affordable and in good repair
- Help people stay in their homes and communities
- Reduce barriers for those who often experience them

The broad framework includes many pieces that fit into the affordability and displacement puzzle, with preservation, stabilization, and equity considerations woven throughout.

The Anti-Displacement Strategy also includes ambitious programs that may be harder to implement but would have significant impact. Examples include: Action 2.4: Housing Preservation Fund, which would require a large amount of public funding; and Action 4.2: Housing and Land Reparations, which proposes that the city implement a land reparations program like the one in Evanston, Illinois.

## Case study: Vancouver

As part of the rapidly growing Portland-Vancouver-Hillsboro Metropolitan Statistical Area, Vancouver has been experiencing significant population growth and housing affordability issues. With declining vacancy rates and a high percentage of residents who report paying more than 30% of their income toward housing, community members were worried about the potential for residential displacement in many city neighborhoods.

Reside Vancouver: An Anti-Displacement Plan was adopted in 2019. Prepared in collaboration with a student group from Portland State University, the plan separates its proposed anti-displacement strategies into two categories: aspirational and capturing momentum.

- **Aspirational.** As the name implies, the policies in this category are more difficult to implement than those in the 'capturing momentum' category and include, for example, creating a new Anti-Displacement Impact Assessment program or passing a Tenant Right of First Refusal program.
- **Capturing momentum.** This category covers actions and policies that build from what the city already has in place. Examples include extending the timeline on the Affordable Housing Fund and revamping the city's multifamily tax exemption program to require developers to form community benefits agreements with the community if they wish to qualify for the eight-year tax exemption.

The two-pronged anti-displacement approach has been incorporated into Vancouver's equitable development framework for the Tower Mall Subarea, which is undergoing development, including new residential development.

### Resources

Displacement Risk Map (Commerce)

Displacement Risk Mapping Tool (PSRC)

Updating GMA Housing Elements (Commerce)

Guidance to Address Racially Disparate Impacts (Commerce)

Affordable housing

# Planning for affordable housing

Though local governments often struggle with affordable housing, they have little ability to control the major factors that often lead to an increase in demand, such as economic and population growth. However, a local government can address or mitigate constraints around the production of housing within its jurisdiction.

The Growth Management Act requires cities to plan for and accommodate existing and projected housing needs for all economic segments of the community. This includes conducting an inventory and analysis of existing and projected housing needs; identifying sufficient capacity of land for housing; adopting goals, policies, objectives, and mandatory provisions for adequate housing; and addressing potential displacement of residents.

The Washington State Department of Commerce's (Commerce) 2019 Housing Memorandum included a list of steps toward meeting these requirements:

- **Update the housing element in your comprehensive plan.** Per RCW 36.70A.070 and WAC 365-196-410, each city and county in the state should develop a housing element, or a plan to identify and meet the housing needs of residents living within the jurisdiction. These housing elements should be regularly evaluated and updated to meet current needs. Local governments should be setting ambitious goals to increase housing, promote healthy communities, and end housing discrimination. See Commerce's 2021 Guidance for Updating Your Housing Element.
- **Perform a housing needs assessment.** A housing needs assessment helps jurisdictions understand their current and future housing needs to serve all economic segments of the community. This should include a racial impact study to identify how housing and land-use policies impact members of the community differently. See Commerce›s 2020 Housing Needs Assessment Guidebook for more details.
- **Create an affordable housing action plan.** An affordable housing action plan is a supplement to a local housing strategy. It provides practical responses, including local initiatives, and further prospects for housing reform. See Commerce's 2020 Guidance for Developing a Housing Action Plan for more details.
- **Fund equitable housing development.** Cities can re-evaluate their budgets to determine how much they should be spending on affordable housing and community development. They can then determine how much intergovernmental or philanthropic funds they require for long-term equitable housing solutions.
- **Develop eviction diversion programs.** Developing, supporting, and funding comprehensive eviction diversion and prevention programs that assist both renters and landlords can be crucial to long-term stability when financial emergencies arise.
- **Collaborate with housing authorities and local nonprofit housing developers.** Strong partnerships with local housing authorities and developers dedicated to creating affordable housing can empower cities to prioritize low-income and affordable housing in their communities. These collaborations provide local governments with increased resources to tackle the issues.
- **Develop regulations to address a proliferation of short-term rentals.** In areas with high recreational appeal or a large tourism economy, developing regulations limiting short-term rentals will protect the local community's housing stock from intrusion by hospitality-related, nonresident occupants.

## Resources

Affordable Housing Planning Resources

Guidance for Developing a Housing Needs Assessment

Guidance for Developing a Housing Action Plan

Guidance for Updating Your Housing Element

Affordable housing

# Surplus public property to create affordable housing

Public entities can reduce the cost of land acquisition for affordable housing developers by designating surplus properties for new affordable housing construction.

Surplus property, as defined by state law (RCW 39.33.015), is "excess real property that is not required for the needs of or the discharge of the responsibilities of the state agency, municipality, or political subdivision." Several local governments (i.e., cities, towns, and counties), special purpose districts, and state agencies are using surplus public property as an opportunity to create affordable housing.

## Legal requirements

Several state statutes address the processes and procedures public agencies must follow to dispose of surplus property.

Disposing of public property *at/below market rates or via donation* is considered to be a "gifting of public funds," which is prohibited under the Washington State Constitution, Article 8, Section 7; however, the article does allow public funds to be used in providing "the necessary support for the poor and infirm."

RCW 39.33.015 explicitly allows public agencies to transfer, lease, or dispose of surplus real property to a public, private, or nongovernmental entity at low or no cost, *if such action is for public benefit*. RCW 39.33.015 (8)(b) further defines this:

> Public benefit means affordable housing, which can be rental housing or permanently affordable homeownership for low-income and very low-income households as defined in RCW 43.63A.510, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons.

It should be noted that, for the purposes of this statutory exception, "low income" means a household making more than 50% but less than 80% of the median income where the affordable housing is located; "very low income" is defined as less than 50% of the median income.

RCW 39.33.015 (8)(a) also explicitly states:

a) Affordable housing means:

(i) For rental housing, 30% of the household's monthly income for rent and utilities, other than telephone; or

(ii) For permanently affordable homeownership, 38% of the household's monthly income for mortgage principal, interest, property taxes, homeowner's insurance, homeowner's association fees, and land lease fees, as applicable. In addition, total household debt is no more than 45% of the monthly household income.

## Surplus property disposition process

Here is a basic overview of how to dispose of surplus property:

1. Identify unused/unneeded public properties and determine which are truly surplus.
2. Determine fair market value.
3. Publish notice (and hold a public hearing) when required.
4. Adopt a "surplus public property" resolution (unless authority is delegated).
5. Proceed with disposition of the specific surplus property.

## Setting up an affordable housing-oriented surplus property program

The City of Bellingham established a useful process for identifying surplus city property that might be used for affordable housing purposes. The city's 2020 Surplus Land Assessment Report describes the steps that Bellingham takes to determine eligible sites:

- Review all city-owned land to determine if there are general conditions that could limit their ability to be designated surplus and used for affordable housing (Tier 1 assessment). City staff used GIS data to make this effort easier and more efficient.
- Develop a detailed assessment of the individual sites (Tier 2 assessment) that made it through the initial review. Those remaining properties' specific impediments characteristics (such as size, shape, location, environmental restrictions, and deed restrictions) were then reviewed on a site-by-site basis.
- Classify individual sites that made it through the Tier 2 assessment. Those sites that did not show any obstacles to surplus/affordable housing development were then put into the following categories: (a) in process; (b) short term; (c) long term; and (d) use or maintenance agreements.

While some public entities may have a less formal process with fewer steps than those taken by Bellingham, once some version of those steps have been taken, a public entity can then determine the best way to dispose of the identified surplus property with immediate or short-term use for the construction of new affordable housing, such as issuing a semi-formal request for letters of interest (LOIs) or formal requests for proposals (RFPs).

Surplus property will likely be transferred to a public or nonprofit agency experienced in affordable housing projects. As a result, it is important to build strong partnerships with local affordable housing organizations. One example is the City of Spokane, which partners with its three public development authorities. Spokane is currently working with the Northeast Public Development Authority on a mixed-use development with a significant affordable housing component.

Other examples of partnerships include Bellingham and the Kulshan Community Land Trust, and the cities of Ellensburg and Tacoma, both of which have partnered with local chapters of Habitat for Humanity.

## Best practices

There may be legitimate (and sometimes competing) demands for the identified "surplus" public properties from one or more public agencies situated within your municipality that would preclude a property's use as affordable housing. To increase the potential for success, take the following steps:

- **Share a preliminary list of potential surplus properties with all departments and partner agencies as early as possible**. This ensures that a specific site is not needed for a different public purpose.

- **Communicate often with your affordable housing partners, both existing and potential.** Be knowledgeable about what they need to achieve your community's affordable housing goals. For example, a housing developer that only builds 45+ unit projects will not be interested in a small surplus parcel that can only accommodate a small number of units.

- **Be clear and upfront about what you want to accomplish with a surplus public property program with an affordable housing focus.** Is there a target or minimum number of affordable units that you expect to be produced on each specific land parcel? Are there any geographic locations that are more preferred than others for these developments?

- **Set realistic objectives and manage expectations.** Setting up this type of program will take more time than might initially be expected and may not meet all your objectives. Most people will accept those possibilities if some positive result is achievable and if you communicate often about your progress.

To help address our state's affordable housing crisis, it is important for local governments and state agencies to consider using as many tools and approaches as possible. Disposing of surplus public property for affordable housing is one such tool. The concept has been around for many years, but it has not yet been widely implemented in Washington. While a community should carefully ponder its reasons for undertaking such an effort before moving forward, using surplus public property to encourage the construction of new affordable housing is an option worth considering.

Affordable housing

# Addressing the impact of short-term rentals on affordable housing

Short-term rentals (STRs) have existed for several decades, but widespread use of them exploded with the advent of online platforms such as Airbnb and VRBO. The STR market took a major hit during the early days of the COVID-19 pandemic, but its popularity has been rising now that more people are traveling again.

This accommodation option has recently been facing increased local government scrutiny, however, as more becomes known about the impact that STRs have on the local supply of affordable housing.

## Effect on the local affordable housing supply

While not the primary cause of affordable housing problems, many experts believe that STRs do have a negative impact on affordable housing at the local level, especially in high-tourism communities. Several organizations and publications, such as Pew Charitable Trusts and Harvard Business Review (HBR), have conducted research showing that as the number of short-term rentals increases in a community, the quantity of affordable housing units decreases.

The authors of a 2019 HBR article focusing on the effects of Airbnb observed that, "because of Airbnb, absentee landlords are moving their properties out of the long-term rental and for-sale markets and into the short-term rental market." The authors noted that as absentee landlords reduce the housing supply, it increases the housing cost for local renters:

> *In aggregate, the growth in home-sharing through Airbnb contributes to about one-fifth (20%) of the average annual increase in U.S. rents and about one-seventh (14%) of the average annual increase in U.S. housing prices.*

But what about non-absentee property owners using online platforms like Airbnb to rent out their properties? The HBR researchers found that "owner-occupiers" who rent out their spare rooms or even an entire house (when they are away for a set period of time) to short-term visitors using a virtual house-sharing platform do not impact the long-term rental market.

## Local regulations that address affordable housing concerns

Affordable housing impacts caused by the conversion of long-term housing to short-term rental use are such a concern that it is becoming a major rationale for regulating STRs. Several Washington cities and counties have adopted plans and STR regulations that explicitly identify the impact on affordable housing as a major policy rationale. One example of local regulation is Chelan County. In addition to having a clear affordable housing policy statement, Chelan County has recently updated its STR regulations to provide more flexibility for owner-occupied units. These are categorized as "Tier 1" rentals and must meet one of the following characteristics:

1. The room is in a dwelling in which the owner is personally present during the rental period;
2. The unit is located on the same parcel as the owner's principal residence and the owner is personally present during the rental period; or
3. The unit is the entire dwelling, which is rented for no more than 15 total days in a calendar year provided that an on-site qualified person is there during the owner's absence.

STRs that don't meet one of these three Tier 1 criteria are categorized as Tier 2 or Tier 3 and are more strictly regulated by the county, in large part due to affordable housing concerns. In fact, the Chelan County code requires that new short-term rentals deemed to be Tier 2 or Tier 3 "cannot be located in specified areas where short-term rentals make up more than the maximum share of the total housing stock in [those specifically identified] residential zoning districts, as defined in their code." For most of the specified areas in Chelan County, the maximum share is 6%, with two exceptions being the Manson urban growth area (UGA) at 6% and the Peshastin UGA at 0%. In 2024, Chelan County implemented a monitoring service for complaints and violations and in 2025 amended the code to address parking, minimum lot size, and a number of other changes proposed by the planning commission.

There may be many reasons behind a local government's decision to regulate or not regulate the local STR market. For those communities wrestling with a tight housing supply and a strong tourist/visitor market, however, affordable housing is another significant policy factor to weigh when a local government is considering how strictly to regulate short-term rentals.

Affordable housing

# Multifamily housing bonds

As cities and counties grapple with mounting housing insecurity, they are increasingly considering issuing bonds to support the production of rental housing that is affordable to working families. Housing is infrastructure and can be an eligible purpose for public borrowing, using both tax-exempt and taxable bonds.

## Types of bonds

Raising funds through borrowing at tax-exempt interest rates is a long-standing practice utilized by state and local governments for all types of infrastructure projects.

Governmental entities can issue three types of tax-exempt bonds to finance affordable housing:

- Governmental bonds
- "Volume cap bonds"[1]
- Qualified 501(c)(3) bonds

Local governments regularly issue governmental bonds for core governmental purposes, such as schools, libraries, roads, fire trucks, and administrative buildings. As housing pressures mount, governments are increasingly treating housing as a core governmental function. Projects that qualify for governmental bonds generally must be owned and operated by a governmental entity (such as the county, city, public development authority, or housing authority) and have traditionally served residents at or below 80% of area median income.

## The role of partnerships

Although cities and counties are permitted to issue bonds for housing, most have delegated this responsibility to local housing authorities. The 37 city and county housing authorities in the state can issue both governmental and private activity bonds (as defined below). Many are frequent issuers of housing bonds, and own and operate affordable rental housing for their establishing jurisdictions. This partnership between local housing authorities and their establishing city or county can free local governments from the business of running housing projects, which requires special expertise and attention.

Alternatively, a government can issue bonds and loan the proceeds to another entity that is responsible for developing the housing. In such cases, the type of bond issued will depend on who owns and operates the housing. If a 501(c)(3) nonprofit entity is the owner and operator, the bonds could be qualified 501(c)(3) bonds. If the owner and operator is a for-profit entity—or if it is a nonprofit entity or housing authority that has partnered with a for-profit entity—the bonds issued would be volume cap bonds. The latter category of bonds, and indeed 501(c)(3) bonds, are considered "private activity bonds," because the owner-operator is not a governmental entity.

Local housing authorities, certain public development authorities,[2] and the Washington State Housing Finance Commission (HFC) are frequent issuers of private activity bonds for housing. HFC is the designated statewide issuer of "conduit" private activity bonds for housing, both volume cap and qualified 501(c)(3) bonds. The HFC issues bonds, and loans the proceeds to private developers (both for-profit and nonprofit) to buy or build housing throughout the state.

## Project requirements

When issuing governmental bonds for housing, local housing authorities are required by state statutes to set aside at least half of the project (by units or square footage, whichever is larger) for low-income residents. "Low-income residents" has historically been interpreted to mean residents with incomes at or below 80% of area median income.[3] The other half of the project may be rented to tenants paying market rents. When housing authorities, public development authorities, or the HFC issue volume cap bonds, federal tax law requires that the projects reserve 20% of the units for

1. Also referred to as "qualified residential rental bonds" or "142(d) bonds" because of the governing section of the Internal Revenue Code for this type of bond. The federal government imposes a per capita limit ($135 per person in 2026) on the amount of certain types of private activity bonds that can be issued within each state each year. In 2026, Washington state's total private activity bond volume cap allocation was $1,080,137,700. The state, through the Department of Commerce, further allocates the private activity bond volume cap among exempt facilities, housing, small issue, and student loan categories—with housing traditionally receiving the largest share of the annual allocation. Ch. 39.86 RCW, WAC 365-135.

2. Community Roots Housing and the Seattle Chinatown International District Preservation and Development Authority are both issuers of housing bonds.

3. See for example, RCW 84.14.010(8) and RCW 84.52.105.

residents earning no more than 50% of area median income or 40% of the units for residents earning no more than 60% of area median income, or a blend of incomes averaging 60% of area median income. In most cases, because volume cap bonds trigger the project's eligibility for federal low-income housing tax credits (LIHTC),[4] in order to maximize the LIHTC investment, most of these housing projects will be 100% low income, at 60% of area median income.

## Paying back the bonds

The debt service on private activity bonds issued by housing authorities and the HFC is usually paid from rents generated at the projects. From time to time, local housing authorities will pledge other unrestricted funds to pay debt service. Because the cost of developing housing is high, the project rents are usually insufficient to repay traditional forms of debt needed to make a housing project affordable to lower income residents. Many affordable projects have multiple funding sources—including bonds, LIHTC investment, state Housing Trust Fund loans, and private loans and grants from entities such as Amazon, the Washington Family Housing Fund, and the Evergreen Impact Housing Fund (funded in part by Microsoft)—which reduce the cost of borrowing. However, even with these multiple sources, a gap between the funding available and the costs of development often remains. By providing an additional source of funding to a project, local governments can help "plug the gap" to ensure the affordable housing development can be built.

## Tools for debt service

The sales tax credit provided by **HB 1406**[5] in 2019, as updated in 2020 by **HB 1590**,[6] in 2021 by **HB 1090**,[7] and in 2026 by **HB 2442** and **SB 6027**,[8] has sparked interest among local governments in issuing bonds backed by the sales tax revenues, which are commonly referred to as "1590 funds." Building upon existing partnerships, cities and counties can assist their local housing authorities, private developers, and nonprofit organizations with plugging the gap when they buy and build affordable housing by issuing governmental bonds. The bonds issued would likely be taxable to provide for maximum flexibility.[9]

The bond proceeds can be used to establish a local "trust fund" that could lend money to affordable housing developers to build or operate select projects. The new revenues provided by the tax credit could then be used annually to pay debt service on the bonds. Jurisdictions could establish either a single jurisdiction trust fund or a pooled trust fund to which other jurisdictions could contribute either bond proceeds or sales tax revenues to pay debt service on a pooled bond issue. New legislation in 2026 specifically permits local governments to enter into interlocal agreements to pool their 1590 funds and to pledge them to bonds issued by one or more of the parties to the interlocal agreement.[10]

In addition to the state Housing Trust Fund, which is funded with state-issued bonds and managed by the Department of Commerce, trust fund models exist in many jurisdictions. For instance, the cities of Seattle, Vancouver, and Bellingham housing trust funds are funded by housing levies; Ellensburg and Spokane's trust funds are funded by 1590 funds.

The state and local trust funds play an important role in ensuring the success of affordable housing projects.

*Special thanks to Faith Li Pettis at Pacifica Law Group for submitting this article.*

4. The federal LIHTC program is an incentive program, as opposed to a subsidy program, that provides a dollar-for-dollar tax credit to investors in affordable housing projects. One of the most successful affordable housing production programs in U.S. history, it has created more than 3.7 million units of housing since its inception. The equity provided to a project from tax credit investors is a significant source of funding for many affordable housing developments and is triggered by the issuance of volume cap bonds. Because of the importance of the LIHTC as a capital source for financing housing, qualified 501(c)(3) bonds for housing are infrequently issued—they do not bring with them the LIHTC.

5. **HB 1406**, Chapter 338, Laws of 2019. Note that **HB 1406** does not establish a new tax, but provides a credit against the state sales tax collected in a jurisdiction. It is not an additional tax to consumers.

6. **HB 1590**, Chapter 222, Laws of 2020, allowing the sales tax established by **HB 1406** to be imposed by councilmanic authority.

7. **HB 1090**, Chapter 27, Laws of 2021, modifying the permitted uses of the sales tax to include the acquisition and construction of affordable housing and facilities.

8. **HB 2442**, Chapter 221, Laws of 2026, and **SB 6027**, Chapter 230, Laws of 2026, further modifying the permitted uses of the sales tax to include rehabilitation, operations and maintenance, and rental assistance and permitting cities and counties to use interlocal agreements to pool tax receipts and pledge them to bonds.

9. Use of tax-exempt governmental bonds may preclude LIHTC investment or private ownership and development of the project.

10. See footnote 8.

Affordable housing

# Land acquisition program

The Washington State Housing Finance Commission's Land Acquisition Program (LAP) offers low-interest loans to help nonprofit and public organizations buy land for the eventual development of affordable housing. In acquiring land under LAP, cities and their housing partners can respond quickly to secure development sites as the properties become available on the market and not have to wait until all the financing is assembled for construction costs.

## Original program

- Eligible borrowers: nonprofit housing assistance organizations, local governments, housing authorities, and tribal authorities
- Secured sites must be developed within eight years of financing
- Housing can be either multifamily or single-family units
- Housing must target populations at or below 80% of area median income
- Rental housing must remain affordable for at least 30 years

## Expanded program

The Expanded Land Acquisition Program (ELAP) is a partnership between the Housing Finance Commission and Microsoft Corporation that enables developers to purchase land and improved real property in East King County and develop it later for affordable rental housing or single-family homes.

Created in 2020, ELAP is a revolving loan program administered by the Commission using capital provided by Microsoft.

## Key features

- Limited to the communities of East King County, especially the target areas of Redmond, Bellevue, Kirkland, Issaquah, Renton, and Sammamish
- Open to all development entities, including for-profit companies as well as local governments, local housing authorities, nonprofit organizations, and tribes
- Housing can serve people who earn up to 120% of area median income
- Housing must remain affordable for at least 35 years

## Loan details

**Land Acquisition Program**

LAP loans carry a 1% interest rate with a 1% loan fee and a maximum term of eight years. Although loans may be outstanding for up to eight years, it is anticipated that most loans will be repaid within four to six years.

Interest payments are deferred for the term of the loan, which is intended to be paid off with the proceeds of construction financing in order to recycle the funds for use in future transactions. Specific terms and conditions of the loans are set forth in a loan agreement and deed of trust.

The program has no maximum loan amount. However, LAP is not intended to cover 100% of site acquisition costs. The average loan amount of the projects financed to date is $675,000.

**Expanded Land Acquisition Program**

ELAP loans can be made in any amount; however, ELAP is not intended to cover 100% of site acquisition costs. The ELAP may not be used for predevelopment expenses. The ELAP loan will cover a maximum of 75% loan-to-land value.

ELAP loans have a 5% interest rate with an estimated 1% loan fee and a maximum term of three years with a two-year extension available. Interest and principal payments may be deferred for the life of the loan.

The interest rate on an ELAP loan may be reduced by up to 3% (at the sole discretion of the credit committee) for the life of the loan in the event of certain changes to local ordinances or regulations that meaningfully and positively impact affordable housing projects (beyond just the ELAP project in question).

## How to apply

Applications for LAP and ELAP are accepted continually; projects are considered based on fund availability. Strong consideration is given to applications that propose leveraging funds with other financing sources.

### Resources

Washington State Housing Finance Commission

Affordable housing

# A Regional Coalition for Housing (ARCH): 15 cities and a county working together

A Regional Coalition for Housing (ARCH) is a partnership of King County and 15 cities in East King County dedicated to advancing affordable housing in the region. Created in 1992 following recommendations from a citizens' commission, ARCH supports member governments by developing housing policies, strategies, programs, and development regulations; investing local resources in affordable housing developments; administering affordable housing programs; and assisting people looking for affordable rental and ownership housing.

ARCH is governed by its member cities, with an executive board made up of the chief executive officers of member cities. A Citizen Advisory Board provides recommendations on local funding allocations, which are made through a Housing Trust Fund that invests pooled funds into project loans and grants. ARCH's work program and administrative budget is determined annually by its member cities.

ARCH has led and supported a variety of housing policies and programs, notably the early adoption of inclusionary zoning in several communities, surplus land programs, and encouraging regulatory flexibility to support diverse housing types such as accessory dwelling units. ARCH staff also administer incentive and inclusionary housing programs on behalf of members and provide ongoing monitoring of housing created by city programs and investment. On the capital side, ARCH helps cities pool resources they allocate for affordable housing within the member cities. Cities are willing to co-fund projects through grants and loans with the long-term goal of creating affordable housing throughout East King County that serves a range of needs. ARCH also provides ongoing monitoring of housing funded by cities.

Other examples of housing coalitions like ARCH include:

- The South King Housing and Homelessness Partners (SKHHP) is a collaboration of nine cities in South King County to create a coordinated and equitable approach to increasing housing stability and support affordable housing development and preservation.
- The Alliance for Housing Affordability (AHA) is a coalition of 14 cities in Snohomish County to provide resources, facilitate collaboration among member jurisdictions, and support local government policies to promote affordable housing.
- The Housing Authority of Chelan County & the City of Wenatchee aims to provide affordable housing to households that earn 80% or less of the area median income, as well as support short-term housing assistance.



Affordable housing

# City of Bellingham housing levy

In 2012, voters approved the Bellingham housing levy, which imposed a tax of 36 cents per $1,000 of assessed property value, generating $3 million per year. It was renewed in 2018 at the same rate, which now generates $4 million per year over a ten-year period for the Bellingham Home Fund. The Bellingham Home Fund provides safe, affordable homes and supportive services to seniors on fixed incomes, people with disabilities, veterans, and low-income families. An Administrative and Financial Plan approved by the Bellingham City Council guides the use of the funds.

Bellingham's housing levy was authorized in RCW 84.52.105, which the Legislature enacted in 1995, allowing cities, counties, and towns to impose an additional regular property tax levy of up to 50 cents per $1,000 of assessed value of property for up to ten consecutive years. The ability to propose a levy under this statute requires the municipality to declare an emergency regarding affordable housing availability. The city adopted an increase to the levy under the authority provided in RCW 84.55.050, known as a levy lid lift.

## Rental & transitional housing

The Bellingham Home Fund supports the development of new rental housing units for households who earn less than 60% of the area median income. Funds have been used for preservation of housing, critical repairs, weatherization, and accessibility. Bellingham also allocates its affordable housing sales tax and HUD dollars to this program, along with special allocations (such as grant funds from Commerce through the CHIP program and from federal sources such as the American Rescue Plan Act).

## Homeownership

Since 1977, the city has offered financial assistance to low-income homeowners to repair their homes utilizing HUD funds. For over 20 years the city has partnered with the Kulshan Community Land Trust and, more recently, the Washington State Housing Finance Commission to help with down payment and closing costs for low-income households. In 2013, the Bellingham Home Fund allowed the city to support expanding services at the Opportunity Council (a private, nonprofit Community Action Agency serving homeless and low-income families and individuals) to repair and weatherize owner-occupied manufactured homes. Funds have also been used for land acquisition and development of new homeownership housing. All homeownership support is for households that earn less than 80% the area median income.

## Rental assistance & services

Bellingham allocates the Home Fund, federal HUD funds, affordable housing sales tax funds, and other city funds to support housing and social services for low-income people in the community. These funds also support rent subsidies and emergency shelter.

Some of the Home Fund's major initiatives include:

- Homeless Outreach and Shelter (Whatcom Homeless Service Center, Northwest Youth Services, Road2Home, HomesNOW!Not Later)
- Project-based services in permanent supportive rental housing developments (Catholic Community Services, Opportunity Council, Sun Community Service)
- Housing units – over 1,100 built or maintained with the help of the Home Fund
- Housing services (Lydia Place, YWCA, Domestic Violence and Sexual Assault Services, Northwest Youth Services, Opportunity Council, Mercy Housing Northwest, Catholic Housing Services, Sun Community Service, Road2Home)

### Resources

Housing Support, Shelter, and Human Services (Bellingham)

How We Are Addressing the Housing & Homelessness Crises (Bellingham)

Affordable housing

# Community land trusts

Community land trusts (CLTs) are nonprofit organizations that provide affordable homeownership to current and future generations of income-qualified buyers through a leasehold model. Homeowners purchase the structure of the home at a subsidized price, the land under the home is held in trust, and the homeowners lease the land from the nonprofit for a modest monthly fee.

There are over 300 CLTs in 47 states. Forty-two CLTs have been established in the Pacific Northwest since the 1990s, with 30 in Washington including Homestead Community Land Trust, OPAL Community Land Trust, and Home Trust of Skagit. CLTs have proven to be a highly effective model in Seattle, Bellingham, Spokane, Portland, and other communities in Washington and around the country.

## CLT housing

CLTs acquire land from public surplus, direct purchases, and donations. CLT homes may include both multi-home developments in a neighborhood and scattered site programs where homeowners find a home they wish to purchase, and the property is brought into the CLT as part of the purchase process.

CLTs can receive grants and funding from private donors, foundations, municipal governments, and federal programs, such as Community Development Block Grants (CDBGs), to purchase land and, if needed, to construct homes. These initial grants can be used to help pass savings along to renters and homeowners over the life of their tenure.

Removing the cost of the land from a home purchase is one part of subsidizing the overall price of a CLT home. In a hot housing market, the increased land value is a substantial part of the cost of a home. Increased labor costs and materials for new construction require that new CLT homes subsidize the structure's cost, too.

Rental units are an overlooked but important portion of housing services offered by many CLTs. It is estimated that two-thirds of CLTs across the country offer some form of rental housing in addition to the ownership model. Rental units may vary from single-family homes to housing units in larger multifamily buildings. For both models of tenure, a CLT ensures affordability by removing the burden of the land cost on the buyer and allows for more affordability in both the short and long term.

## Permanent affordability

Through CLTs, homes remain permanently affordable through a resale restriction that limits the appreciation of the home to a formula. In exchange for purchasing a home at well below market rate, CLT homeowners agree to a limit on the amount of equity they can realize when they sell the home. An agreed-upon formula caps their equity growth at fair return as defined by the U.S. Department of Housing and Urban Development. CLT homeowners build equity within the agreed limit and use that equity to move up the economic ladder.

CLT homeowners may make further improvements to their home if proposed improvements are designed and constructed in compliance with local zoning and building codes. How the cost of post-purchase improvements is calculated into the resale price of the home differs by CLT. Homeowners reap all the tax benefits of homeownership and heirs are entitled to the equity that the homeowner had in the property. While the CLT property can be inherited by family members, the land lease (which dictates what can happen to the property upon the homeowner's death) and affordability restrictions (which dictate whether the heir may need to meet specific income qualifications to reside in the home or to sell it) significantly shape what happens to the property and who can reside in or purchase it.

Even if property values in the area skyrocket, the home remains comparatively affordable forever. A CLT balances the multiple goals of asset-building for low- and moderate-income households, preservation of affordability over time, and the protection of neighborhood vitality.

CLTs also provide post-purchase support to owners, including assistance in times of financial distress. As a result, CLTs have an established record of accomplishment of low default rates. In 2008, CLTs had a foreclosure rate of 0.52% nationally, compared to over 3.3% for conventional homebuyers.

CLT homes span the full spectrum of home types, including single-family detached, duplexes, triplexes, townhomes, cottages, and condominiums. In the case of condominium homes, resale restrictions and membership

rights are secured through a deed restriction rather than a ground lease. Cities may use CLTs to preserve affordability of homes created through density bonus agreements with for-profit builders.

## How agencies can help develop and sustain CLTs

**Provide locally available affordable housing funds in addition to federal programs.** Property tax levies are one such mechanism allowed in Washington state, with local governments such as Bellingham and Jefferson County operating such levies.

**Implement inclusionary housing policies that require or incentivize developers to partner with CLTs to create affordable housing.** These policies help ensure affordable housing is integrated into new development and can be managed or owned by CLTs. For example, Seattle's Mandatory Housing Affordability (MHA) Program requires new multifamily and commercial developments to include affordable housing units or to contribute to an affordable housing fund.

**Selling or donating surplus or unused land to CLTs and other eligible nonprofits**. This includes land that was acquired for highway expansion or areas once designated for a specific activity but no longer used, such as out-of-service airports, fire stations, or schools. An example of this can be found in Whatcom County, where the City of Bellingham is considering donating parcels of land for affordable housing preservation and development. In addition, CLT partnerships with local housing authorities are beneficial, as housing authorities can supply developable land to CLTs. One such active partnership exists between Methow Housing Trust and the Housing Authority of Okanogan County.

**Offering fee reductions on utility connections for affordable housing projects**. The construction of needed infrastructure, including utility improvements, can present serious hurdles to overcome. This is especially true in rural areas and smaller cities, where connecting to utilities (gas and electricity) and infrastructure (roads and sewer/public water connections) can be time-consuming and expensive. Agencies can offer fee reductions on utility connections for affordable housing projects, such as those provided by the City of Kirkland. Municipal governments that are eligible can also apply for federal and state grants, such as the federal CBDG, to help offset these expenses.

Strong and well-organized partnerships with local governments can kickstart CLT efforts, sustain ongoing operations, and promote new development. Local governments can tap into numerous financial, administrative, and real estate tools to help CLTs, and this partnership provides local governments with a mechanism of affordable housing creation—one that preserves initial subsidies for future generations of low- and moderate-income community members and requires fewer sustaining funds than other models of affordable housing development.

## Benefits for cities

Cities are increasingly seeing the benefits of CLTs operating in their communities. This has led many municipalities to seek out ways to support and partner with organizations. For example, the Chelan Valley Housing Trust (CVHT), the City of Chelan, and Chelan County have built a strong collaborative relationship and have created several instruments to support the continued development of affordable housing. These two local governments contribute $20,000 yearly to help fund CVHT's operations and the city contributed $750,000 in ARPA funds to help pay for a sewer extension to a CVHT affordable housing development site. Financing from its local partners has allowed CVHT to develop a portfolio of five townhomes and two single-family homes, with a remarkable 42 new constructions scheduled to be finished within five years.

Municipalities can also function as collaborators with CLTs during the land acquisition process. For example, a municipality can alert the organization about available land that could be used for housing, offer discounted sales, or even donate land to the organization. Examples include:

- Olympic Housing Trust (OHT), located in Port Angeles, was formed in 2008 when Port Angeles sought OHT's help in reviving or disposing of four vacant homes. OHT has since forged a partnership with the City of Port Townsend as well.
- Methow Housing Trust (MHT), located in Winthrop, operates throughout the Methow Valley and has a record of finding private partners, such as large landowners, to build their portfolio. In 2021, they announced a partnership with the Housing Authority of Okanogan County to create a new permanently affordable development containing 40 homes and 22 rental units.

### Resources

Northwest Community Land Trust Coalition

National League of Cities Community and Land Trust: A Guide for Local Governments

Affordable housing

# Inclusionary zoning: Mandatory programs

One method for addressing the affordable housing shortage is the use of a regulatory tool called "inclusionary zoning." Inclusionary zoning requires that either affordable units are included within new residential development projects or payment be made for construction of such units elsewhere in the community.

There are two basic types of inclusionary zoning: voluntary and mandatory. Under a voluntary program, the developer decides whether to use various incentives or bonuses in exchange for providing a specified number of affordable units. However, such programs are not used very often, with developers usually opting to choose the simpler path of building market-rate housing.

Conversely, a mandatory program requires the construction of a minimum number of affordable units or an "in lieu of" payment. Communities with mandatory programs usually provide an additional density bonus if the number of affordable dwelling units goes beyond the mandated minimum.

## Who uses inclusionary zoning?

Numerous cities throughout the country use inclusionary zoning, including Boston, Denver, New Orleans, Portland, Sacramento, San Diego, San Francisco, and Washington, D.C. In Washington state, a few cities use inclusionary zoning and more are actively considering it.

Successful examples in the state are Redmond and Federal Way. Redmond's affordable housing regulations, which have been in place since 1995, provide long-term affordable "contracts" on nearly 500 dwelling units. Federal Way has also created many affordable units through its inclusionary zoning provisions.

## Elements of inclusionary zoning

Mandatory inclusionary zoning regulations usually specify the following:

- **The minimum quantity of affordable units to be provided—usually a percentage of a development's total number of dwelling units.** For example, Redmond requires a minimum of 10%, while Sammamish has a sliding scale based on the affordability level of the provided housing units. Developers in Sammamish are also using the city's affordable housing "bonus pool" to produce more market-rate and affordable dwelling units.
- **The targeted income range of households to be served by the affordable units.** For instance, Redmond's target population is "those who make equal to or less than 80% of the King County median household income adjusted for household size," while Federal Way defines "rental affordable housing" as dwelling units affordable to those with incomes at or below 50% of King County's median income.
- **The period within which the designated units must be maintained as affordable.** For example, Issaquah requires those units to remain affordable for at least 50 years.



- **The geographic scope of the regulations.** Inclusionary zoning regulations are usually limited to designated areas such as a downtown or mixed-use development areas, although they may be applied throughout the community. For example, Redmond includes its downtown and seven other neighborhoods, while Issaquah's mandatory program is limited to the Central Issaquah Urban Core.

On a practical note, a local government should ensure that the increased development capacity resulting from an upzone will offset the added costs to the housing developer of providing the affordable units. Otherwise, neither the market-rate nor affordable housing units will be built.

## Pros & cons of inclusionary zoning

In an active housing market, inclusionary zoning results in more affordable housing for low- and moderate-income residents. Inclusionary zoning can also result in buildings and neighborhoods that have a mix of income levels, without having to rely on taxpayer funds to provide them.

On the "con" side, it is important to tailor your program to fit your local housing market. If the market is not strong enough, mandatory affordability requirements could cause developers to not build any residential housing, which may exacerbate affordable housing challenges. Cities should review the programs of their peers to consider administrative and monitoring responsibilities.

## Legal basis for inclusionary zoning

State law (RCW 36.70A.540) provides authority for Growth Management Act (GMA) cities and counties to establish mandatory requirements for the inclusion of affordable housing under certain circumstances. The statute states, "An affordable housing incentive program may include, but is not limited to, one or more of the following:

i. Density bonuses within the urban growth area;

ii. Height and bulk bonuses;

iii. Fee waivers or exemptions;

iv. Parking reductions, or

v. Expedited permitting."

State law allows a GMA city or county to require a minimum number of affordable housing units that must be provided by all residential developments in areas where the city or county decides to increase residential capacity and/or provide other types of incentives per RCW 36.70A.540.

Before establishing such a requirement, a city or county must determine that such a zone change would further local growth management and housing policies. In addition, RCW 36.70A.635, requires certain cities to allow higher densities if a developer includes affordable housing.

The pros and cons of inclusionary zoning should be carefully reviewed before implementing such a program. But, if your community has an affordable housing problem and strong demand for market-rate housing, it is a regulatory tool that should be considered.

Affordable housing

# Density bonus: Voluntary inclusionary zoning

As cities throughout Washington struggle to bring more affordable housing units into their communities, one tool at their disposal has flown under the radar but deserves a much closer look and more attention. It is called a "density bonus."

Providing density bonuses is a regulatory mechanism that municipalities have in their existing toolbox and can use right away to encourage the development of affordable housing and other public benefits. It does so by providing developers a bonus of market-rate dwelling units in exchange for their commitment to build affordable dwelling units for low- or moderate-income households.

State regulations, and the city regulations that flow from them, enable jurisdictions to offer voluntary inclusionary zoning programs that provide incentives or bonuses for increased density to developers. Combined with that authority, the Growth Management Act allows cities to offer incentives for the development of low-income housing units (RCW 36.70A.540). These incentives include density bonuses, height and bulk bonuses, fee waivers or exemptions, parking reductions, and expedited permitting. Under WAC 365-196-410 and comprehensive planning requirements, each city and county must develop a housing element that identifies and plans to meet housing needs. Density bonuses can be offered to meet the housing goals and policies of the comprehensive plan and the purpose and intent of the zoning districts.

## Renton's density bonus

Renton uses its density bonus to encourage the creation and preservation of affordable rental units and homeownership in partnership with a local nonprofit organization. The city has implemented affordable housing incentive programs for low-income housing units under Density Bonus Review (RMC 4-9-065) for developments that allocate some of the units to be affordable for 50 years.

Renton recently updated its density bonus code to allow cottage housing at two and a half times the density of the underlying zone. The city also encourages the development of new income-restricted units through fee waivers and the Multi-Family Tax Exemption (MFTE) program. The city sets annual income restrictions at 80% of the area median income for ownership housing and owner-occupied housing, or 50% below for rental housing. The income restriction is adjusted for household size. Density bonus review occurs concurrently with other required land use permits or can be reviewed under administrative site plan review requirements.

Recently, a residential homeownership development was approved with a density bonus as part of the Earlington Village project—a planned urban development consisting of 60 multifamily townhomes. The developer secured approval to build at a density of 18 dwelling units per net acre using the allowed bonus density provisions. In return, the project developer provided seven three-bedroom dwelling units to a nonprofit homeownership organization that could ensure a 50-year compliance of income-qualified residency and permanent affordability. These seven homes were placed in trust with the Homestead Community Land Trust (Homestead). Homestead managed the initial sales to the first income-qualified buyers and will provide compliance management and stewardship support to homeowners throughout the compliance period.

Renton requires that affordable units must be provided in a range of sizes and with features comparable to market-rate units. Additionally, low-income units must be distributed throughout the development and have the same functionality as the other units in the development. Some documents used to secure agreements between Renton, the developer, and Homestead included an affordable housing restrictive covenant, affordable homeownership program agreement, and use agreement. As an alternative to providing on-site affordable housing, Renton amended its code to allow applicants to substitute required affordable housing units by making a cash payment to the city.

Weaving the density bonus into the Earlington Village project accomplishes two important goals. First, additional middle-market housing and more density are created, and second, affordable units are added in a way that brings affordable homeownership opportunities to first-time homebuyers who otherwise struggle to find them. That's a win-win for Renton and the region.

Affordable housing

# Multifamily tax exemption: A newly expanded incentive to help create affordable housing

The Multi-Family Housing Property Tax Exemption (MFTE) program began in 1995, codified as RCW 84.14, to incentivize residential development in urban centers, designated as "residential targeted areas." It encourages the development of multifamily housing by exempting the value of new housing construction, conversion, or rehabilitation from property taxes.

A local government may choose to offer an eight-, 12-, or 20-year tax exemption. Twelve and 20-year programs must require that a certain percentage of the housing be affordable to low- or moderate-income households.

The 2021 Legislature significantly amended the MFTE program through **SB 5287** and made technical changes again in 2025 via **HB 1494**. The key changes are described below.

## Smaller jurisdictions now eligible

Until 2021, only the largest jurisdictions were able to offer an MFTE program. In 2021, the Legislature provided an opportunity for any city that had not already been eligible to offer MFTE programs. Cities that qualify under this new provision may provide 12- or 20-year exemptions (RCW 84.14.010(3)(d)).

## 12-year extensions for existing MFTE projects

With **SB 5287**, eight- and 12-year MFTE projects with existing property tax exemptions that are within 18 months of expiration may extend those exemptions for an extra 12 years. This action requires city approval. The extension requires specific affordability requirements and requirements for building owners, such as tenant notice and relocation assistance. New extensions are not permitted starting January 1, 2046. This program may be extended if a legislative review demonstrates that the 12- year extension is well used. **HB 1494** established that for owner-occupied projects receiving the 12-year exemption, a deed restriction or covenant that ensures affordability is required. This matches the requirement for the 20-year homeownership exemption.

## Project extensions for COVID delay

Under the MFTE program, projects must be completed in three years, with an optional two-year extension. To mitigate delays associated with COVID-19, local governments may choose to extend the completion deadline for an additional five years for applicants who submitted prior to February 15, 2020. The five-year extension would begin immediately following the completion of any outstanding applications or previously authorized extensions, whichever is later.

## New 20-year exemption for permanently affordable ownership housing

Until January 1, 2032, local governments may offer a 20-year property tax exemption if 25% of the units in a project are sold as "permanently affordable" to households earning 80% or less of the area median income. The other units may be rented or sold at market rates. The jurisdiction may charge a fee to cover administrative fees to manage the units.

The development must also be sponsored by a nonprofit or governmental entity and is subject to a 99-year resale restriction to ensure permanent affordability. Different requirements apply depending on the entity offering the program.

## 20-year rental exemption with 99 years of affordability

**HB 1494** removed the expiration date preventing new cities from implementing the 20-year rental exemption with 99 years of affordability and lowered the population requirement from 65,000 as of July 2021 to 15,000 in 2025 (RCW 84.14.020(1)(a)(ii)(C)). The session law also removed an additional zoning density requirement on cities with a population over 20,000 for issuing 20-year rental exemptions (RCW 84.14.021(1)(b)).

## Designated residential targeted areas (RTAs)

**HB 1494** requires cities to determine new RTAs are compliant with anti-displacement requirements in the Growth Management Act (RCW 36.70A.070(2).

Other changes to the program have been made as well, including changes to definitions, reporting and notification requirements, and enforcement. The Legislature also directed the Washington State Department of Commerce (Commerce) to undertake several tasks related to the MFTE program. In 2023, Commerce completed a study of the MFTE programs implemented throughout the state. The agency has also developed a MFTE Administration Workbook for use by jurisdictions interested in developing, implementing, monitoring, or updating an MFTE program. Other resources are also available on the Commerce website.

Over 50 jurisdictions in Washington have adopted multifamily property tax exemption ordinances. Several cities, including Olympia, Redmond, and Vancouver, have adopted ordinances with specific affordability requirements or incentives.

### Resources

Washington State Department of Commerce: Multi-Family Housing Property Tax Exemption Program

Affordable housing

# Bremerton addresses housing affordability & chronic homelessness

The City of Bremerton is working to expand its assistance to low-income residents and to help chronically homeless residents facing addiction and mental health issues.

Bremerton has seen demand increase for affordable housing and services in recent years, with an increase in rent-burdened households of 8.5% from 2010 to 2020. Additionally, chronically homeless individuals who face addiction and mental health issues struggle to keep their housing. Kitsap County's 2026 point-in-time homeless count indicates that some of the most common causes of homelessness are job loss or the inability to work, health or mental health issues, and substance abuse.

Bremerton has implemented a two-pronged approach to address affordability and chronic homelessness—helping to keep people in their homes and expanding access to mental health care and substance use disorder treatment.

## Rental assistance & weatherization

The city budgets $100,000 annually for rental assistance and another $100,000 for weatherization upgrades for low-income residents. Following the passage of **HB 1406** in the 2019 legislative session, the city collects the sales tax credit for supplemental funding of the rental assistance and weatherization programs. The rental assistance program, administered through the Bremerton Housing Authority, offers help with short-term rent payments, eviction prevention, and security deposits. The city's weatherization and minor home repair program, administered through Kitsap Community Resources, provides help to lower energy bills—reducing costs for seniors and low-income residents so they can stay in their homes.

## Support for those experiencing chronic homelessness

The city has collaborated with Peninsula Community Health Services (PCHS) as a part of their Bremerton Ambulatory Team (BAT) and in support of PCHS's Stand By Me program. The BAT consists of medical, behavioral, and community health professionals working to reduce the number of non-emergent calls to EMS by meeting people where they are. Stand By Me is a care coordination effort in partnership with the Salvation Army in Bremerton. The program aims to remove barriers to health care, allowing many to access essential health services conveniently on-site at the Salvation Army.

Since December 2023, the city has teamed with Seattle-based firm Commonstreet Consulting to address unpermitted encampments in Bremerton. Commonstreet connects individuals experiencing homelessness with resources, while simultaneously mitigating unauthorized encampments through a partnership with the Bremerton Police Department. In January, the city approved a $212,000 commitment to Commonstreet for 2026.

## Land acquisition assistance

**Pendleton Place**

The city, in partnership with the Bremerton Housing Authority and Kitsap Mental Health, completed occupancy in May of 2022 for an $18.3 million, 72-unit apartment building called Pendleton Place. Because lack of housing directly impacts the ability to seek and respond to treatment, the facility provides on-site services such as mental health care and treatment for substance use disorder, along with permanent housing for vulnerable residents. To get the program started, the city helped locate and rezone a 1.66-acre site for development of the Pendleton Place apartment units in an area designated for affordable housing. Kitsap Mental Health provides around-the-clock support, and community partners will offer treatment and primary care services, employment search assistance, and life skills training. The long-term goal of Pendleton Place is to help homeless individuals with supportive services so they can successfully move into more permanent housing, improve their health and well-being, and reduce impacts on medical services.



**Evergreen Bright Start**

In February 2024, an occupancy permit was issued for the Bremerton Housing Authority's (BHA) project Evergreen Bright Start, located in downtown Bremerton. Evergreen Bright Star is a 30-unit apartment complex that will house young adults (ages 18-24) who may be experiencing homelessness, are exiting foster care, or have experienced a combination of traumatic life events such as sexual exploitation, domestic violence, mental health issues, substance use disorder, or extreme poverty. The City of Bremerton and Kitsap County partnered to provide $4 million for the project, with an additional $6.5 million provided by a Washington State Department of Commerce Housing Trust Fund grant.

**Medical respite center**

Bremerton contributed $100,000 to Peninsula Community Health Services toward the launch of a medical respite center in the city. The facility will contain 22 individual rooms and an on-site clinic, providing 24/7 support and safe shelter for up to 30 days.

**Star of Hope**

The St. Vincent de Paul Star of Hope campus housing project is currently under development; plans include 38 new housing units (10 transitional and 28 permanent supportive housing), serving households experiencing homelessness or at-risk of homelessness (0-30% of the area median income).

**Emergency shelter**

In January 2024, the city approved $1.3 million for a hybrid homeless shelter proposed by a team of local nonprofit groups including Kitsap Mental Health Services, Bremerton Housing Authority, Kitsap Community Resources, and St. Vincent de Paul. While a site has yet to be finalized, the planned hybrid shelter will consist of an indoor emergency shelter option as well as temporary pallet homes.

## Pre-approved ADU program

The City of Bremerton is participating in a countywide program to provide a variety of pre-approved accessory dwelling unit (ADU) plans that can be used free of charge for ADU construction within city limits. In addition to the savings by providing these floor plans at no cost is the streamlined permitting process and a quicker approval turnaround. This program is led by the Kitsap Regional Coordinating Council in collaboration with all Kitsap County jurisdictions. Seen in the below image, the first pre-approved ADU in Kitsap County was completed earlier this year in Bremerton.



Affordable housing

# Down payment assistance programs

For many Washington families, saving enough money for the required down payment to buy a home continues to be the biggest obstacle to homeownership. The Washington State Housing Finance Commission (WSHFC) offers several models of down payment assistance to help bridge the gap. All programs can be used to pay for both the down payment and closing costs.

Many local jurisdictions would like to help homebuyers in their area, but the costs and hassles of running an independent down payment assistance program are a significant barrier. Government entities including cities, counties, and housing consortia, partner with WSHFC to make the most of their local resources. WSHFC administers the programs and matches the local funds with larger sources.

## Advantages for city partners

- Lowers cost for cities—no administration fees from WSHFC
- Matching funds from WSHFC
- Cities can keep their funds in their jurisdiction or targeted to a specific population
- Cities can leverage WSHFC's funds and experience with administration

To establish a partnership, the local jurisdiction must sign an interagency agreement with WSHFC and receive approval for matching funds. The two agencies work out a program description, manual, forms, and administrative requirements, including reporting.

The following are some program highlights from current WSHFC partners offering down payment assistance to their residents:

## Bellingham

Since June 2017, the City of Bellingham has helped borrowers with incomes of 80% or less of area median income within the city purchase their first home.

## A Regional Coalition for Housing (ARCH)

Created in October of 2005, ARCH is a partnership of King County and East King County cities to preserve and increase the supply of housing. ARCH assists families with incomes of 80% or less of area median income within East King County in purchasing a home. For more information on ARCH, see page 41.

Other cities, such as Tacoma, Kennewick, Pasco, and Bremerton, offer homeownership down payment assistance programs not affiliated with WSHFC.

## Clark County

Clark County helps borrowers with incomes of 90% or less of area median income within the county purchase their first home.

## Covenant Homeownership Program

Beginning July 2024, the Covenant Homeownership Program became available through WSHFC to help people who have been impacted by discrimination become homeowners. First-time homebuyers who have deep roots in Washington state (before 1968) earning incomes at or below 100% of area median income may be eligible for this program.

*Special thanks to the Washington State Housing Finance Commission for submitting this article.*

### Resources

Washington State Housing Finance Commission: Here to Home



Affordable housing

# Tiny homes

Living in tiny houses (also called tiny homes) is both an increasingly attractive and affordable housing option as well as a trending alternative lifestyle choice.

Historically, zoning and development regulations were not designed with these types of homes in mind. However, Washington passed two recent laws to expand where tiny homes can be located as a permanent residence and establish building codes specific to tiny homes.

## Changing regulations of tiny houses

Before **SB 5383** passed in 2019, relevant state law and local regulations dealt mainly with camper trailers and recreational vehicles (RVs) used temporarily, not tiny homes intended for permanent occupancy. Accordingly, most zoning codes treated such tiny homes as camper trailers or RVs, and usually allowed them only for temporary, recreational use in campgrounds, RV parks, and occasionally in mobile home parks.

**SB 5383** defines "tiny house" and "tiny house with wheels" as a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, and sanitation in accordance with the state building code.

Other key components include:

- The law allows the creation of tiny house communities using binding site plans. These communities are subject to the Manufactured Home Landlord Tenant Act (MHLTA) RCW 59.20.
- Cities or towns may adopt an ordinance to regulate tiny house communities.
- The owner of the land upon which the community is built must make reasonable accommodation for utility hookups for the provision of water, power, and sewer services and comply with all the other requirements in MHLTA.
- Cities or towns cannot adopt ordinances that prevent tiny homes from locating in manufactured home parks as permanent residences, unless the ordinance applies to an exception in RCW 35.21.684(4).
- The Washington Building Code Council adopted building code standards for tiny houses, effective November 11, 2020 (WAC 51-51-60104 Appendix Q).

## Inclusion in affordable housing incentive programs

In 2022, the Legislature passed **HB 2001**, which expressly adds tiny home communities to the affordable housing incentive program, effective June 9, 2022. Under RCW 36.70A.540, jurisdictions that fully plan under the Growth Management Act are authorized to enact or expand affordable housing incentive programs to provide for the development of low-income housing units through development regulations. These programs may include provisions pertaining to:

- Density bonuses within the UGA;
- Height and bulk bonuses;
- Fee waivers or exemptions;
- Parking reductions; and
- Expedited permitting.

Prior to the passage of **HB 2001**, jurisdictions were already free to modify the incentive program to meet local needs, including qualifying provisions or requirements not expressly authorized in statute. This could have included adding tiny home communities.

Affordable housing

# The role of manufactured home parks

One important source of affordable housing in many communities is manufactured housing, formerly referred to as "mobile homes." These homes are commonly situated in manufactured home parks (MHPs) and allow lower-income households to own or rent their residences at an affordable price while also attaining a sense of community and privacy that is often not found in mid-rise multifamily housing. Although many local decision-makers and leaders acknowledge the value of manufactured homes, they may not have a strong understanding of MHPs within their communities or the perspectives of MHP residents.

In April 2021, the City of Kent completed a Manufactured Home Park Preservation Study that sought to "support the city's future policymaking for MHPs including strategies to preserve MHPs where they provide quality, safe, affordable housing for Kent's residents," due in part to the affordable housing challenges facing communities throughout the entire state. The study offers an approach and methodology that could be used by other local governments wanting to learn more about how MHPs provide housing options within their community and to identify resources and options to preserve this option.

The study made several key recommendations on how the city can retain this type of housing and support its residents:

- Support best practices in park management;
- Protect tenants' rights and manufactured homeowner equity;
- Encourage MHP homeowner participation in home repair programs;
- Implement a "rolling inspection" program;
- Improve the level of municipal services for the city's MHPs;
- Reduce hardship to residents when parks close; and
- Support resident, nonprofit, or local housing authority purchase of MHPs.

Kent's MHP preservation study goes in depth on each of these recommendations and highlights that although many of the laws governing manufactured home parks are at the state level, local jurisdictions play a significant role in protecting the homeowner, commercial property owner, and resident interests in the community.

## Support for community residents

Manufactured housing presents a particular challenge for residents—though a person may own their residence, they are still a tenant of the MHP. This creates a unique real estate situation where a tenant's housing security is dependent on forces outside their control. An MHP owner may decide to close or convert their property to another use, and the tenant is left scrambling because it is expensive to move their housing unit, some units can't be moved due to age, or relocation sites may not be available.

The City of Kenmore created a Manufactured Housing Community (MHC) zoning district for the continuation and preservation of existing manufactured housing communities. The city also allows transfer of density from sites zoned MHC to receiving sites to provide capacity for future growth while preserving existing communities. Considering many MHP households are financially vulnerable, and many may lack the necessary resources to afford housing outside the context of an MHP, resources related to relocation assistance, financial incentives and grants, and other services are necessary in the event of a park closure or conversion.

In addition, Kenmore's innovative Residential Density Incentives and Transfer of Density program includes preservation of existing MHPS as an eligible activity by allowing increased density on a non-MHP development site in exchange for an easement limiting redevelopment within the participating MHP.

Including MHP-only designation within your comprehensive plan and enacting a corresponding MHP-only zone within your local regulations is an effective technique to preserve MHPs in your community. Having MHP-only zoning in place reduces the potential (and therefore, the temptation) for an MHP owner to convert the land to commercial or market-rate residential use.

For example, Bothell has adopted a Mobile Home Park Overlay zone, which has resulted in the preservation of several MHPs within the city.

## Tenant ownership

To facilitate the preservation of existing manufactured home communities in the event of voluntary sales, the Legislature amended Chapter 59.20 RCW, the Manufactured/Mobile Home Landlord Tenant Act, in 2023 and 2024. The changes include provisions to ensure residents are informed and have opportunities to purchase the community if it is up for sale. The law now requires two years of notice to be given before the closure or conversion of a manufactured home park. When selling a manufactured/mobile home community, landlords must provide tenants and eligible organizations the opportunity to compete to purchase the property. Tenants then have 70 days to express their interest and negotiate. The two-year closure notice can be reduced to 18 or 12 months if the landlord provides sufficient financial compensation for relocation and other costs.

The changes also provide tenants who receive relocation assistance from an outside source to receive the maximum amount of assistance under the Mobile Home Relocation Assistance Program.

Where there is concern about closures or conversions, a potentially powerful way to preserve MHPs is to convert the ownership to a tenant- or nonprofit-owned community. Resident or nonprofit purchase of MHPs may offer many benefits to residents. These can include giving homeowners the ability to maintain or upgrade their community's infrastructure, stabilize rent increases, and protect against abuses that can occur in a landlord/tenant relationship. In addition, nonprofit-owned communities may qualify for funding and financing opportunities for acquisition and park infrastructure that privately owned parks do not.

Successful conversions of MHPs from private ownership to tenant ownership or nonprofit ownership often require technical assistance, public support through access to funding and/or financing, and other nontangible forms of support.

As identified in the Kent study, cities can support resident, nonprofit, or housing authority purchase of MHPs in the following ways:

- Identify MHPs that are suitable for alternative ownership models
- Fund predevelopment studies
- Make benefits to landowners known
- Incentivize the sale to residents or nonprofit groups
- Conduct outreach to property owners and referrals to partners

In 2025, the Legislature passed **SB 5298**, which requires property owners of a manufactured/mobile home community to provide notice of sale to the local jurisdiction and the local public housing authority, in addition to the Department of Commerce and the Washington State Housing Finance Commission.

### Resources

Northwest Cooperative Development Center/ROC Northwest

Washington State Department of Commerce: Manufactured Home Relocation Program



Tenant protections

# Rental housing inspection programs

Several cities have adopted rental housing safety programs to ensure that rental units offered to tenants are safe. Rental housing safety programs protect low-income residents by requiring property owners to meet health and safety standards in order to rent out their units. They also provide cities with valuable information about the rental housing units in their community.

One example is the City of Lakewood, which, as of 2024, has approximately 14,106 rental properties (out of 24,821 total occupied housing units). While some of this housing meets basic life and safety standards, some does not. Lakewood dedicated significant resources into reactive, complaint-driven inspection programs. However, even with these programs in place, some of the more challenging (and common) examples of unsafe and substandard living conditions go unresolved. To help bridge this gap, the city launched the Rental Housing Safety Program (RHSP), pursuant to RCW 59.18.125, to improve and protect the welfare of its residents.

Since the launch of RHSP in late 2017, an astounding 98%+ of all rental units in the city are registered. The program's high compliance rate is attributed to the innovative "opt-out" design of the program's database. The city learned from other jurisdictions that program compliance was often an issue. These jurisdictions primarily used an "opt-in" approach in which property owners self-identified and registered rental properties. The city decided to take an alternative approach using available county data to build a database of rental properties. Property owners were able to "opt-out" of the RHSP database if the property met an exemption standard.

The RHSP is automated with an online data portal. The city intends for the program to be self-financing.

During the first five years of the program, rental properties failed inspections more than 80% of the time. Common inspection failures included missing smoke and carbon monoxide detectors, improper electrical outlets or other electrical problems, incorrectly installed water heaters, plumbing problems, and improperly operational doors and windows.

When they meet all inspection criteria, properties receive certificates of compliance good for five years. As of 2022, the city had issued 2,012 certificates of compliance to property owners certifying that 10,577 units comply with the city's rental housing safety program.

In May 2026, the Lakewood City Council passed an amendment to the program to allow a self-certification option. Property owners may certify that their rental units comply with the city's inspection critieria. Self-certified units will receive random inspections by the city to confirm compliance.

The RHSP has spurred reinvestment into the city's existing housing stock, which the city hopes will help protect existing affordable housing in the city.

## Did you know?

RCW 59.18.125 was added to the state's Landlord Tenant Act (RCW 59.18) in 2010. The law authorizes a municipality to require certificates of inspection from landlords and requires that cities adopting a rental inspection/licensing ordinance after June 10, 2010, follow the regulations provided in the statute. In 2007, before this law was adopted, the state Supreme Court upheld a City of Pasco ordinance that required landlords to be licensed by the city, make inspections of their rental units, and furnish the city with a certificate of inspection verifying that their units met applicable building codes. A key element in the court's decision in *City of Pasco v. Shaw* (2005) was that the inspections could be performed by a private inspector of the property owner's choosing. This provision is also a feature of RCW 59.18.125.

## Resources

Aberdeen Rental Registration and Inspection Program

Bellingham Rental Registration and Safety Inspection Program

Burien Rental Housing Inspection Program

Kent Rental Housing Inspection Program

Lakewood Rental Housing Safety Program

Olympia Rental Registry and Inspection Program

Pasco Residential Rental Program



Tenant protections

# Recent tenant protection laws

Washington has recently enacted a variety of laws focused on tenant protections under the Residential Landlord Tenant Act (RLTA). Collectively, the goal of these laws is to prevent homelessness, given the shortage of vacant rental housing across the state. The following changes have recently been made to the RLTA:

- **Prohibition on source of income discrimination:** In 2018, the Legislature adopted RCW 59.18.255, which prohibits source-of-income discrimination against a tenant who uses a benefit or subsidy to pay rent.
- **A 120-day notice of demolition:** In 2019, the Legislature amended RCW 59.18.200 to require 120-day notice to tenants of demolition or substantial rehabilitation of premises.
- **Managing initial deposits and fees:** In 2020, the Legislature adopted RCW 59.18.610, which provides that a tenant may request to pay deposits, nonrefundable fees, and last month's rent in installments.
- **Just cause eviction:** In 2021, the Legislature adopted RCW 59.18.650, which requires landlords to specify a reason for refusing to continue a residential tenancy, subject to certain limited exceptions.
- **Fee in lieu of security deposit:** In 2022, the Legislature adopted RCW 59.18.670 which allows a landlord to offer an optional monthly fee in lieu of a security deposit, which is not refundable.
- **Landlord claims of damages to premises:** In 2023, the Legislature adopted changes to Chapter 59.18 RCW to define ordinary wear and tear and establish processes and documentation required to withhold a security deposit claiming damage to the premises.
- **Rent increase:** In 2025, the Legislature amended RCW 59.18.140 to provide a 90-day notice of a rent increase instead of the previous 60 days. Increases may not take effect until the completion of the term of the current rental agreement nor within the first 12 months of tenancy. Landlords may not increase rent by more than 7% plus the consumer price index, up to 10% maximum, with certain exemptions.
- **Prohibited lease terms:** In 2025, the Legislature prohibited the following lease terms: waiver of the right to pursue class action, nondisclosure agreement, and required arbitration, unless the landlord pays for arbitration and the agreement is notarized.
- **Service of eviction notice:** In 2026, RCW 59.12.040 was amended to enact changes on notifying the tenant of eviction by mail.
- **Flood disclosure:** In 2026, the Legislature amended RCW 59.18.060 to require landlords to notify tenants that the property may be in a flood zone, that the landlord's insurance does not cover the tenant's property, and to contact the county for property-specific hazard risk.

Similarly, the Legislature has also recently passed laws amending the Manufactured/Mobile Home Landlord Tenant Act, Chapter 59.20 RCW, to do the following:

- **Rent stabilization:** Landlords may not increase rent by more than 5% per year, nor may they increase rent during the first 12 months of tenancy. They also must use a model rent increase form. The Legislature also capped move-in fees, security deposits, and late fees.
- **Notice of sale:** The Legislature updated notice requirements and the parties that must be notified when a manufactured home community goes up for sale to include the local jurisdiction and the local public housing authority, as well as officers of any known qualified tenant organization.

## Resources

Residential Landlord-Tenant Act Chapter 59.18 RCW

Manufactured/Mobile Home Landlord-Tenant Act Chapter 59.20 RCW



Innovative collaboration

# Taking a team approach to help people struggling with homelessness & behavioral health

While cities are not traditional providers of behavioral healthcare services, first responders such as police officers, firefighters, and paramedics are increasingly dispatched to emergencies involving an individual experiencing a behavioral health, mental health, or substance use crisis. Nationally, 20% of 911 calls are behavioral health- or substance use-related. A crisis of this type can be both tragic and dangerous for the individuals, families, and communities involved.

Funding sources for behavioral health services are complex and varied. While cities help cover diverse behavioral health services and supports, there is no significant dedicated funding source. Funding streams include federal funding via the Substance Abuse and Mental Health Services Administration (SAMHSA), Medicaid, and block grants. State and local sources include sales tax, dedicated cannabis account funds, opioid settlements, and the state general fund. This funding is further distributed to counties, behavioral health-administrative service organizations, managed care organizations, accountable communities of health, state agencies, state partners, tribes, and healthcare service providers.

Additionally, in communities across the state, extreme disparities exist in access to first responders, behavioral health resources, and substance use disorder treatment. Cities are often on the front line trying to address problems created by the lack of available services and are tasked with resolving issues during a crisis with limited resources.

While the Legislature has made significant behavioral health investments in recent years, major gaps remain. Many communities do not have local options to divert people into substance use disorder treatment—the nearest service center is often located many miles away from the community. Additionally, complicated and overlapping systems often mean that the responder who shows up first to the scene of a crisis may not be equipped to handle it.

In response, several cities are adopting innovative alternative response programs that complement or replace a traditional law enforcement response with one that takes a holistic approach. Many situations require professionals trained in a different set of skills than law enforcement officers. Community diversion options like mental health co-responders, Let Everyone Advance with Dignity (LEAD, also known as Law Enforcement Assisted Diversion), and Community Assistance Referral and Education Services (CARES) programs have proven successful as alternatives for responding to crises. For example, across the state:

- 39% of cities pair a behavioral health or mental health co-responder with law enforcement when appropriate;
- 25% of cities have an arrest and jail alternatives program (e.g., LEAD);
- 19% of cities have fire-based co-responders (e.g., CARES); and
- 16% of cities operate mobile crisis response programs.

Additionally, 25% of cities offer pretrial diversion, and 27% operate a therapeutic, community, or substance use disorder court.

## City of Port Angeles LEAD program

LEAD has been a well-known program for years, but Port Angeles was the first jurisdiction in the country to launch a LEAD-Fire program. The program combines the efforts of the Port Angeles Fire Department, the Port Angeles Police Department, and the Olympic Peninsula Community Clinic.

The LEAD-Fire program differs from traditional LEAD programs in that it focuses on addressing the immediate medical needs of individuals without involving the criminal or legal system. LEAD-Fire engages participants in intensive case management, including services offered by an advanced registered nurse practitioner for behavioral health medication management, as a bridge to support stabilization of social, medical, and mental health needs.

To date, the program has helped dozens of individuals by responding to overdose emergencies, connecting people to shelter programs, providing street medicine or community paramedic referrals, and offering differing levels of case management.

## Poulsbo CARES team program

In 2021, the City of Poulsbo launched its CARES program as part of the Poulsbo Fire Department. The goal of the CARES program is to connect individuals to appropriate care and services and to reduce the impact of nonemergency calls on fire and police departments. The program is staffed by a firefighter or EMT trained in crisis intervention, a social worker, and a substance use disorder professional. The CARES unit is a multidisciplinary team designed to meet individuals where they are, identify their needs, and craft solutions to reduce the individual's need to utilize emergency 911 calls.

The CARES team responds to individuals struggling with behavioral health issues and helps them navigate the situation—whether they need medical attention, mental health care, substance use disorder services, or other kinds of care. The program has grown to serve and respond to fire and police referrals across North Kitsap communities, including Poulsbo, Suquamish, and Bainbridge Island. The CARES team works closely with area schools and service providers to improve access to care.

## Regional Crisis Response Agency

The communities of Bothell, Kenmore, Kirkland, Lake Forest Park, and Shoreline worked together to create the Regional Crisis Response (RCR, pronounced "racer") Agency. Officially launched in 2023, the regional partnership provides mobile crisis response that includes screening, crisis de-escalation, intervention, peer support, and navigation to the system of care. Data from the program shows a:

- 67% reduction in jail bookings;
- 60% reduction in crisis services events; and
- 4% reduction in emergency department visits.

## West Plains Crisis Response Team

The West Plains Crisis Response (WPCR) team is a partnership between the Airway Heights Police Department and the Cheney Police Department. The WPCR team is made up of mental health clinicians paired with specially trained police officers and a K9 named Tonks who respond to emergency calls from individuals in crisis.

The team serves an area of over 20 square miles that includes Airway Heights, Cheney, Medical Lake, Four Lakes, Reardan, and Tribal communities in the region. By diverting these calls to the WPCR team, the program allows individuals to receive behavioral and mental health services instead of facing arrest and prosecution. When responding to calls, the clinicians conduct an assessment to determine the individual's competency, mental health diagnosis, substance use, housing needs, and more. They also can provide referrals and transportation to services as needed.

The cities have seen a marked reduction in emergency calls as the team has built relationships with previous high utilizers of the 911 system. Additionally, by being proactive in working with individuals in crisis, the team is seeing a reduction in arrests, fewer individuals entering the criminal system, and a reduction in recidivism rates

## Future needs

These local services and behavioral health community supports are resource-intensive at the city level and require ongoing collaboration and continuing investment. Cities seek strong partnerships with state, federal, tribal, private, and other local partners to address the system as a whole. They must be empowered to generate the local resources they need to stand up these programs and help residents build better lives. Behavioral health is both a medical issue and a community issue. Cities are essential partners in ensuring that every Washingtonian has access to care, stability, hope, and the ability to thrive.

Association of Washington Cities
1076 Franklin St. SE
Olympia, Washington 98501
360.753.4137 or 1.800.562.8981
wacities.org

Municipal Research and Services Center
225 Tacoma Ave S.
Tacoma, WA 98402
206.625.1300 or 1.800.933.6772
mrsc.org



Copyright © 2026 by Association of Washington Cities, Inc. All rights reserved. | 05/15/26