



---

---

MEMORANDUM

---

---

**TO:** CITY COUNCIL  
**FROM:** BLAKE LYON, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT  
**CC:** MAYOR SETH FLEETWOOD  
**SUBJECT:** WASHINGTON STATE 2023 LEGISLATIVE RECAP  
**DATE:** JUNE 5, 2023

---

The 2023 Washington State legislative session has concluded, and this year's session had some notable pieces of legislation, especially as it pertains to housing. The range of subtopics include, but are not limited to, accessory dwelling units, affordable housing, emergency shelters, housing supply, permit streamlining, regulatory framework, etc.

Also included in this year's legislative session was adoption of the 2023-2025 Biennial Capital Budget, which along with the Operating Budget combines more than \$1 Billion in appropriations. Several capital budget highlights include \$400 million for the Housing Trust Fund, \$60 million for the Connecting Housing to Infrastructure Program, \$40 million for the Washington State Housing Finance Commission's Land Acquisition Program, \$25 million for Transit Oriented Development, \$14.5 million for homeless youth and young adult projects, and \$124 million for weatherization and home upgrade programs.

Operating budget highlights include \$111 million for grants to support emergency housing, shelter capacity, and associated support services, \$38 million for permanent supportive housing, \$45 million to increase current homeless service grantee contracts to help stabilize the workforce.

The pieces of legislation that will likely have a greater influence on housing forms in the City of Bellingham include, but may not be limited to, House Bill 1337 (accessory dwelling units), House Bill 1042 (existing buildings), House Bill 1110 (middle housing), Senate Bill 5290 (local permit review process), Senate Bill 5412 (design review requirements). Staff will present some specifics that are included in these bills and begin framing up a conversation on how we as a local government will work towards the implementation of these statutory requirements.

**House Bill 1337** requires cities within urban growth areas to allow for two accessory dwelling units per lot.

**House Bill 1042** allows for existing commercial or mixed-use zoned buildings to be used for residential purposes.

**House Bill 1110** requires cities with populations greater than 75,000, planning under the Growth Management Act, to authorize minimum development densities ranging from four to six units per lot in residential zones.

**Senate Bill 5290** provides default permit processing time frames to local governments, requires local governments to provide refunds of permitting fees if permitting time frames are missed.

**Senate Bill 5412** categorically exempts project actions that develop residential housing units or middle-income housing within an urban growth area from the State Environmental Policy Act (SEPA), if specified criteria are met, everywhere in Washington except Seattle.