

Historic Investments in Affordable Housing and Homelessness

House Washington—convened by Challenge Seattle and made up of Mayors, County Executives, Chambers of Commerce, and housing advocates—has been working since 2022 to create urgency around affordable housing and homelessness across Washington State. In 2022, the Legislature made unprecedented investments of more than \$850 million to address the challenge, largely with one-time federal pandemic relief funds.

The 2023 Legislative Session ended with historic investments in affordable housing and programs to address homelessness. More than \$1 billion was appropriated through the combined Capital Budget and Operating Budget for the 2023-25 biennium. In addition, a number of critical policy bills were passed to address housing supply, permitting timelines, and access to homeownership—some with strong bipartisan support.

Since 2019, Challenge Seattle has been urging action by state and local leaders to address housing affordability and the lack of housing supply. Earlier this year, [“The Conspicuous Crisis: Addressing Housing Affordability](#)



[in Washington”](#) was released outlining a series of recommended actions to help address these challenges. This followed our 2019 report, [“The Invisible Crisis: A Call to Action on Middle-Income Housing Affordability.”](#) We are pleased that a number of the recommended policies were enacted during the session alongside the necessary investments to increase housing supply. We thank our partners in this work for their continued advocacy on this important issue.



2023-25 BIENNIAL CAPITAL BUDGET HIGHLIGHTS

\$400M for the Housing Trust Fund:

- \$163.6M in fully competitive funding.
- \$95M for permanent supportive housing under the Apple Health and Home program.
- \$40M for homeownership projects serving first-time low-income homebuyers.
- \$25M for housing persons with intellectual and developmental disabilities.
- \$25M for preservation of existing affordable housing, to continue to serve low-income households.
- \$6M for acquisition and preservation of mobile homes.
- \$45.3M for specific projects.

\$60M for the Connecting Housing to Infrastructure Program (CHIP), which provides grants to local governments and public utility districts to assist in the cost of utility improvements or connections to new affordable housing projects.

\$40M for the Washington State Housing Finance Commission’s Land Acquisition Program to assist developers purchase land for affordable housing. \$17M is intended as a match for \$50M in private funding from Microsoft for use in King County.

\$25M for Transit Oriented Development, which is being matched with \$25M from Amazon.

\$14.5M for homeless youth and young adult projects.

\$124M for weatherization and home upgrade programs.



2023-25 BIENNIAL OPERATING BUDGET HIGHLIGHTS

The final Operating Budget also includes significant funding for programs to prevent and address homelessness. Highlights include:

- \$111M for grants to support emergency housing, shelter capacity, and associated support services.
- \$66M to address the decrease in document recording fee revenues that fund homeless services, ensuring programs can continue across the state.
- \$38M for permanent supportive housing through the Apple Health & Homes program.
- \$150M for the state rights-of-way safety initiative.
- \$150M implementation of House Bill 1474 to create the Covenant Investment Act, which provides homeownership opportunities for people harmed by racist real estate practices like restrictive covenants and redlining.
- \$45M to increase current homeless service grantee contracts to help stabilize the workforce.



SUCCESSFUL 2023 HOUSING & HOMELESSNESS LEGISLATION

A number of policy bills were passed to address affordable housing, middle-income housing supply, and homelessness. Highlights include:

Increasing Missing Middle Housing: HB 1110 by Rep Jessica Bateman (D-22, Olympia) requires certain cities planning under the Growth Management Act to authorize minimum development densities (ranging from duplexes to six-plexes, depending on city location and population) in residential zones.

Reforming Restrictive Condominium Laws: House Bill 1474 by Rep Jamila Taylor (D-30, Federal Way) will provide down payment assistance and closing cost assistance for individuals and families harmed by racist real estate practices like restrictive covenants and redlining.

Downpayment Assistance to Address Racial Inequities: Senate Bill 5258 by Sen Sharon Shewmake (D-42, Bellingham) aims to increase supply of condominiums and townhomes by reforming some regulations of condominiums and creates a new down payment assistance program at the Washington State Housing Finance Commission.

Streamlining Permitting Processes for Housing Development: A number of bills passed that aim to streamline permitting at the state and local level. **Senate Bill 5290** by Sen Mark Mullet (D-5, Issaquah) 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** by Sen Jesse Salomon (D-32, Shoreline) 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.