

2026 Legislative Summary

Federal

The 21st Century ROAD (Renewing Opportunity in the American Dream) to Housing Act passed the Senate on March 12, 2026, and is pending further action in the House of Representatives. Summary handout from the National Low Income Housing Coalition (attached) provides additional details.

Washington State

[Executive Order 25-12](#)

In December 2025, Governor Bob Ferguson signed Executive Order 25-12, creating the Washington State Task Force on the establishment of a Department of Housing. The Task Force is charged with developing recommendations for a new cabinet-level housing agency focused on expanding housing supply, better aligning state housing programs, and addressing housing needs across Washington. By November 15, 2026, the Housing Task Force will provide a report to the Governor and Legislature with recommendations.

Meeting information and notes available at: [EO 25-12 Department of Housing Task Force – Washington State Department of Commerce](#)

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Legislation is effective June 11, 2026 unless otherwise noted.

RHC legislative priorities outcomes:

- Funding appropriations for the Maple Court and Boulevard Road projects were maintained.
- Statewide Encampment Resolution Program (ERP) funding was maintained at the same level as 2025 (\$45 million statewide).
- Connecting Housing to Infrastructure Program (CHIP) funding was maintained.

Funding

[SB 6003 Capital Budget \(effective April 1, 2026\)](#)

The Capital Budget includes \$123 million in additional funding to the Housing Trust Fund, an 82% increase over the current biennial budget.

[SB 5998 Operating Budget \(effective April 1, 2026\)](#)

The operating budget includes \$15 million in fiscal year 2027 to protect the grants of recipients of Continuum of Care funding from the U.S. Department of Housing and

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Urban Development. This funding is intended to maintain permanent supportive housing if their award from federal fiscal year 2025 was reduced or was not provided.

SB 6027 Increased Flexibility for use of Home Fund dollars

Background: Cities and counties may impose a 0.1% sales and use tax for housing (Home Fund). At least 60 percent of the revenue from this tax must be used for constructing or acquiring affordable housing, behavioral health services facilities, and funding the operations and maintenance costs of new units of affordable housing or evaluation and treatment centers. Affordable housing and facilities providing related programs may only be provided to certain population groups that have a median income of 60 percent or less of the county. The population groups are: persons with behavioral disabilities; veterans; senior citizens; persons who are homeless or at risk of being homeless, including unaccompanied youth or young adults; persons with disabilities; or domestic violence survivors. The remainder of the revenue must be used for behavioral health treatment programs or services, or for housing-related services.

Updates: This bill allows for more flexibility in spending of local home fund dollars, particularly for operational expenses and preservation.

- Allows jurisdictions to use funds for the operations and maintenance of existing (not just new) affordable housing units.
- Allows jurisdictions to now use funds for rehabilitation of existing affordable housing, which may include emergency, transitional and supportive housing.
- The portion of the revenue that is not required to be used on affordable housing, behavioral health related facilities, evaluation and treatment centers, and facilities used for housing-related programs may also be used for rental assistance.

HB 2442 Increased Flexibility for REET and Home Fund dollars

Background: The Real Estate Excise Tax (REET) applies to real estate transactions including the sale of property. It applies to the selling price and is usually paid by the seller. The REET is generally due and payable to the treasurer of the county in which the property is located on the date of the sale. The state imposes a REET, and local government are also authorized to impose various REETs. The two primary local REET options are:

REET 1: A local government may levy a 0.25 percent REET.

REET 2: A local government planning under the Growth Management Act may impose an additional 0.25 percent REET.

Both REET 1 and 2 must generally be used for local government capital projects.

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Capital projects includes planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for those experiencing homelessness and affordable housing projects. REET revenue can also be used for housing relocation assistance under RCW 59.18.440 (for tenants who are displaced due to the demolition, substantial rehabilitation or change of use of their rental unit).

Updates:

- A local government may use REET 2 revenues for the abatement of nuisance properties.
- Mirrors the language in SB 6027 to increase flexibility in use of local Home Fund dollars.
- Beginning January 1, 2027, a county or city may impose a new 0.01% sales and use tax. Revenue from this tax may only be used for the purpose of providing services that assist children and their families, including childcare, before- and after-school care that addresses health, social, and behavioral issues, perinatal support services, workforce capacity building, client transportation, shelter and rental assistance. If both a county and city within the county impose the tax, the county must provide a credit against its tax to the extent necessary to prevent the combined tax rate from exceeding 0.01 rate.

Landlord-tenant regulations

[SB 6200](#) *Right to install cooling devices in rental units*

Restricts residential landlords and owners of mobile home parks from prohibiting or restricting tenants from installing a portable cooling device of the tenant's choosing, with certain exceptions. Allows residential landlords to require that a portable cooling device be subject to inspection or servicing by the landlord. Prohibits residential landlords from requiring a fee for the use or installation of a portable cooling device. Provides immunity to residential landlords from liability for any claim for damages, injury, or death caused by a portable cooling device installed by the tenant.

Note: This is very similar to OMC 5.82.140, passed by Olympia City Council in 2024.

[SB 6237](#) *Flood hazard disclosures*

Requires that landlords subject to the Residential Landlord-Tenant Act disclose to tenants that the property may be located in a special flood hazard area or an area of potential flooding, and that information about hazards that may affect the property is available from the county government. Requires landlords to disclose that the landlord's insurance does not cover the loss of the tenant's personal possessions, and that the tenant should consider purchasing renter's insurance and flood insurance. Specifies that

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the disclosures required by the bill only apply to leases entered into after December 31, 2026.

Housing Supply & Affordability

[HB 2266](#) *Siting of Supportive, Transitional, Emergency Housing and Shelters*

This bill aims to make it easier to site supportive, transitional and emergency housing and shelters (STEP). Requires cities and counties to allow STEP housing in many areas except for areas zoned for industrial use. Cities must allow transitional housing and permanent supportive housing in any zones within an urban growth area where residential dwelling units or hotels are allowed. Indoor emergency shelters and indoor emergency housing must be allowed in any area within an urban growth area where hotels are allowed. Indoor emergency shelters and indoor emergency housing must be allowed in additional zones if necessary to meet projected needs identified in the comprehensive plan.

Cities and counties may only apply the same development permit and environmental review processes to STEP housing that apply to other types of lodging or residential development within the same zone. A city may impose reasonable occupancy, spacing, and intensity use requirements on STEP housing for public health and safety purposes. If applying design review for STEP housing, only administrative design review may be required. A city, county, or other local governmental entity is authorized to impose and enforce requirements on affordable housing developments as conditions of loans, grants, financial support, tax benefits, subsidy funds, or sale or lease of public property. Ordinances due by June 2028 or with next periodic update, whichever is sooner.

[HB 2418](#) *Streamlining permit review processes*

Building from SB 5290 (2023), this bill further refines the Local Project Review Act (RCW 36.70B) to streamline permit review processes for residential development. The bill has several key provisions, including:

- Clarifies that a local government's determination of whether a project permit application is complete is procedural, rather than substantive.
- Subjects state agencies to the same timeline requirements for permit review as local governments and imposes the same 20% refund requirement for missing review deadlines.
- Requires local governments to designate a single point of contact for residential permit applications. This same official must also be the State Environmental Policy Act (SEPA) responsible official for the project if one is needed.

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Ordinances due by June 30, 2027.

[SB 6026 Residential Uses in Commercial Zones](#)

Requires cities and counties with populations above 30,000 (and planning under the Growth Management Act) to allow residential development in commercial and mixed-use zones, subject to defined exemptions.

[HB 1974 Enabling land banking for affordable housing development](#)

This bill authorizes cities and counties to establish land banking authorities operated by public corporations, housing authorities or non-profits to acquire and hold property while preparing it for affordable housing development. Land held by the land banking authority is exempt from property taxes if the land bank is a public corporation or a nonprofit organized to provide low cost land for affordable housing development. The land banking authority may acquire, hold, manage, improve, lease, transfer, or dispose of real property to be used as affordable housing. The land banking authority may undertake predevelopment activities but may not construct the housing.

A county legislative authority may transfer tax foreclosed property to an entity operating a land bank authority. If the county receives the property in this manner, it must allow any city in which the property is located to purchase the property for the original auction bid. Once purchased, the city must transfer the property to a housing authority or an eligible nonprofit for affordable housing development. Any housing authority or nonprofit receiving the property must reimburse the city for the purchase amount plus any other direct costs.

At least 50% of the land or property leased or sold by a land bank authority must include covenants or deed restrictions that the housing units developed or operated must maintain affordability requirements for at least 30 years. Rental units must be affordable to households with an income at or below 80% of the area median income. Owner-occupied housing units must be affordable to households with an income at or below 120% of the area median income. There are annual reporting requirements if a land banking authority is authorized.

[HB 1859 Density bonuses for mixed-income development on faith-owned land](#)

This bill is intended to produce more affordable homes on faith-owned land by granting density bonuses for mixed-income development. This bill amends legislation passed in 2019 to decrease affordability requirements to allow affordable housing projects on property owned by a religious organization more financing options. This bill reduces the affordable housing set aside requirement from 100% affordable units to 50% or 20%, depending on the project's income restrictions (80% AMI or 50% AMI). A city must develop policies to implement this section if it receives a request from a religious organization for an increased density bonus for an affordable housing development.

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Cities may still opt to require more affordable units to be set aside for low or very low-income households to qualify for increased density bonuses.

[HB 2151](#) *Factory Built Housing Standards*

Creates clarity and consistency for factory-built home production by aligning Washington State rules with national standards. (Change requested by Department of Labor & Industries, who oversees factory assembled structures).

[HB 2304](#) *Condominium Insurance Reform*

Allows a condominium unit located in a building containing 12 or fewer units and four or fewer stories to qualify for an express warranty insurance option. The intent is to make it easier to construct more stacked flats condominiums, creating middle housing ownership options for first-time buyers. More information can be provided in a [handout](#) produced by the Housing Development Consortium.

[SB 6091](#) *Ensuring Public Availability of Housing Opportunities*

This bill aims to increase fairness and transparency in the real estate market by requiring residential properties to be publicly marketed and not listed exclusively through the listing agent's network of contacts.

[SB 6162](#) *Senior Property Tax Relief*

Increases the county median income limits for the Senior Property Tax Exemption and provides a standard deduction option to streamline the application process.

[SB 5156](#) *Align Elevator Size Rules with Federal ADA Law*

This bill aims to reduce costs and increase accessibility by allowing smaller buildings to install smaller-scale elevator options that meet federal safety and disability standards. More information available from Sightline Institute: [Washington State Leads on Elevator Reform](#)

Background: Currently Washington State Building Code requires elevators that are larger than what is required by the ADA.

Updates: This bill allows reduced elevator sizes for buildings with at most 24 units (up to six stories, four units per floor) to match the requirements in the ADA.

[HB 2610](#) *Interim Use Property Tax Exemption*

This bill supports interim nonprofit uses that keep neighborhoods active and engaged while they await the construction of affordable homes.

Background: All real property owned by a nonprofit entity or qualified cooperative association for the purpose of developing or redeveloping housing to be sold to low-income households, including certain land leases, is exempt from state and local property taxes.

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Updates: A nonprofit entity receiving the nonprofit homeownership property tax exemption may temporarily rent or loan the property to another organization if certain requirements are met. A nonprofit entity receiving the exemption must submit an annual renewal declaration. The exemption does not expire if the property is transferred to another nonprofit entity that is granted a property tax exemption for a different use.

Selected bills that did not pass

SB 5496 *Limiting Investor-Owned Single Family dwellings*

A business entity that has an interest in more than 100 single-family residential properties may not purchase, acquire, or otherwise obtain an interest in another single-family residential property. An investment entity may not purchase, acquire, or otherwise obtain an interest in a single-family residential property.

HB 1768 *Limiting Investor-Owned Manufactured Home Communities*

A business entity that has an interest in more than five manufactured housing communities or 200 manufactured housing lots may not purchase, acquire, or otherwise obtain an interest in another manufactured housing community or lot. An investment entity may not purchase, acquire, or otherwise obtain an interest in a manufactured housing community or lot.