AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, March 26, 2026 - 3:00 PM
Community Rooms

This meeting may also be accessed through Zoom at https://zoom.us/j/93216056382 or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382.

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

1. **Introduction of Parks Commission Appointees - Louise Tieman and Hanley Bonynge**

2. **End of Legislative Session Report**
   a. Staff Report: City Administrator Katrina Knutson
   b. Clarifying Questions
   c. Public Comment
   d. Council Deliberation and Direction

3. **Hunt Street Property Update**
   a. Staff Report: Housing, Health, and Human Services Program Manager Shea Smiley, MSW
   b. Clarifying Questions
   c. Public Comment
   d. Council Deliberation and Direction

4. **Communication FLASHVote Results**
   a. Staff Report: Communications Manager Lori Maricle, APR
   b. Clarifying Questions
   c. Public Comment
   d. Council Deliberation and Direction

5. **2027-2028 Strategic Plan Discussion – Council Priority: Diverse and Affordable Housing**
   a. Staff Report: City Administrator Katrina Knutson
   b. Clarifying Questions
   c. Public Comment
   d. Council Deliberation and Direction

EXECUTIVE SESSION: To discuss the potential acquisition of real estate per RCW 42.30.110(1)(b)

ADJOURN

PUBLIC COMMENT & DECORUM

PUBLIC COMMENT & DECORUM

The city council wants to hear from the public as much as possible. However, the business of the city must proceed in an orderly, timely manner. The primary purpose of council meetings is to conduct the city's business so we have created a variety of ways the community can make their voices heard. Monday city council meetings are just one opportunity. These guidelines are designed to make sure every person who wants to be heard has both the opportunity to be heard and feels welcome to do so.

We receive comments three ways:

1. During council meetings
2. During council study sessions.
3. Email mayorandcouncil@gigharborwa.gov at any time about any issue. This email goes to the elected officials and leadership at the city.

Public Comment at City Council Study Sessions

We welcome comment at Council study sessions following the staff report and clarifying questions of each discussion item. Comments must be related to the discussion item at hand.

When the mayor calls for public comment, please come forward to the table (or raise your hand on Zoom). When it's your turn, we'll ask you to tell us your name and connection to the issue you want to discuss. You'll then have a maximum of two minutes to speak.

Unfortunately, this isn't a time for dialogue, but a staff person or councilmember may be available to talk with you at a break or after the meeting.

Additional guidelines

- Anyone making "out of order" comments may be subject to removal from the meeting.
- Please address your remarks to the city council as a body and not to any specific individual.
- Please be courteous and not engage in derogatory remarks or insinuations.
- No demonstrations, including clapping, are allowed.

Email

You are welcome to email the mayor and councilmembers about any issue facing the city by writing to the address above. Do remember that council sets the policy direction while city departments execute those decisions. A series of online reporting tools might help you resolve an issue more quickly so check them out too: https://www.gigharborwa.gov/146/Submit

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the city clerk at cityclerk@gjgharborwa.gov or (253) 853-7613 at least 24 hours prior to the meeting.

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

City of Gig Harbor
2026 End of Session Legislative Report
March 20, 2026

Dear City of Gig Harbor,

It was a pleasure to advocate on behalf of the City of Gig Harbor throughout the 2026 Washington State legislative session.

The 2026 session marked the second year of the 2025–27 biennium and was largely defined by the Legislature's responsibility to adopt supplemental operating, capital, and transportation budgets. Similar to previous years, this proved to be a challenging task. Lawmakers entered the short, 60-day session confronting a projected multi-billion-dollar budget gap driven by rising maintenance-level costs, caseload growth, inflationary pressures, and new obligations from recent policy expansions, even as revenue growth remained modest.

In response, the Legislature focused heavily on budget-balancing strategies, including targeted spending reductions, use of reserves, and adjustments to the tax code. A significant portion of the session was devoted to debates over tax fairness and affordability. Lawmakers also grappled with the downstream fiscal impacts of recent federal actions, as well as ongoing needs related to infrastructure, disaster response, housing affordability, and public safety.

Despite these headwinds, we were successful in defeating legislation that would have increased city costs and protected the City's shared revenues. Just as importantly, we worked to ensure the City's perspective was well understood by legislators as they weighed difficult tradeoffs in an election-year environment.

With session now adjourned, legislators will turn their attention to the November 2026 elections, with all House seats and approximately half of the Senate on the ballot. This political dynamic will shape both the interim and the policy landscape heading into next year.

Looking ahead, the 2027 legislative session will be a 105-day session and the first year of the 2027–29 biennium. The Legislature will shift its focus to developing full biennial budgets and considering more expansive policy proposals. In an evolving fiscal and political climate, consistent, strategic advocacy will be essential. I look forward to continuing to work with the City of Gig Harbor during the interim to advance its priorities, strengthen legislative relationships, and ensure we are well positioned for the 2027 session.

Thank you,

Shelly Helder
State Lobbyist
Gordon Thomas Honeywell Government Relations

Table of Contents

Attachments:

1. AWC Budget Matrix
2. 2026 Bills Impacting Cities

A. Session Overview

The 2026 legislative session convened on January 12 and adjourned on schedule on March 12. During the 60-day short session, lawmakers focused on two primary responsibilities: adopting biennial operating, capital, and transportation budgets, and debating and advancing legislation.

From a city perspective, the results of the 2026 Session show there is still significant room for progress. During the session, the Legislature:

- Continued its pattern of passing land-use mandates without attached funding. However, in refining several proposals, lawmakers incorporated more city input than they have in recent years.
- Declined to offer broad financial support for cities facing budget pressures, though it did pass a modest fiscal-flexibility measure (House Bill 2442) that introduces a few new revenue options that may help a small number of municipalities.
- Preserved most, though not all, state accounts that share funds with cities, but did not fully compensate for the expected financial losses that will occur once tax exemptions tied to the millionaire's tax go into effect.

The session was largely defined by Democrats' push to overhaul the state's tax structure. That effort culminated in final legislative approval of Senate Bill 6346, which imposes a new 9.9% tax on household income above $1 million. The bill passed the Senate late on the final night of the session and now heads to Governor Ferguson, who has indicated he will sign it. Supporters argued the measure begins to address Washington's long-standing reliance on regressive revenue sources, while Republicans warned it could open the door to broader income taxation.

Democratic leaders also advanced a slate of bills aimed at insulating the state from shifting federal policies. Lawmakers approved measures restricting the release of voter data, prohibiting law enforcement officers from concealing their identities while performing official duties, and anchoring vaccine guidance to state-level health authorities rather than federal directives. Party leaders described these actions as necessary to protect civil rights and public health.

In total, legislators introduced 1,238 bills during the session and enacted 276 into law.

Despite declaring the short session largely successful, Democratic leaders acknowledged that several major issues remain unresolved and are likely to resurface next year. These include regulating data centers more comprehensively, managing rising legal costs facing the state, stabilizing funding for public defense, revisiting public school funding, and securing long-term funding for ferry construction.

For Republicans, the session was largely defined by opposition. With limited leverage as the minority party, lawmakers relied heavily on procedural tactics and amendment strategies to slow or challenge Democratic priorities. That approach was most visible during the marathon House debate over the income tax bill, which stretched more than 24 hours and ranked among the longest floor debates in state history.

B. Legislative Agenda Items & Policy Outcomes

Gig Harbor Community Center

Since 2026 was the second year of the biennium and it was widely known that the supplemental budget had limited capacity, the City opted to lay the groundwork for a larger capital budget request in the new biennium, rather than make a small request in the short session. This work began by briefing legislators on the City's discussions to date and will continue throughout the legislative interim in preparation for the 2027 session. During session, Mayor Barber, Mayor Pro Temp Rodenberg, Councilmember Martin and Councilmember Ekberg traveled to Olympia to meet with members of the City's legislative delegation to update them on the vision for the Community Center and answer questions. The interim months will be a critical time to refine the project details; identify ways the state can support and educate lawmakers on those opportunities.

Childcare

Last year, the state made strides in prioritizing childcare access. During this session, several bills were introduced and the City supported House Bill 2099 which would have expanded space-available ECEAP access for children of military service members without counting them toward the state preschool entitlement. The bill did not make it over the finish line this session but expect it will return. The biggest impact to childcare this session was the passage of House Bill 2689 which revises the Working Connections Child Care Program. First, the bill caps eligibility at 60% of state median income, thereby eliminating scheduled future expansion of income eligibility. It modifies the monthly provider reimbursement schedule based on the number of days a child attended that month and restructures subsidy rates and payment rules for licensed providers. These changes resulted in over $100 million in savings for the state's operating budget in this biennium and even more over the 4-year outlook. This policy shift was a key part of the state balancing the supplemental budget.

Fish Passage Funding

The state must identify approximately $5 billion to eliminate state-owned culverts and remove other barriers hindering fish passage, as required by a federal court ruling. It seems unlikely that the state will meet the court's 2030 deadline and is currently engaged in mediation with the Tribes who initiated the lawsuit. Due to the ongoing mediation, there was limited to no discussion of funding for fish culverts for the state or for local governments during this session.

Housing Supply

Local governments have consistently emphasized that meeting housing needs across all income levels will require significantly greater investment in housing serving households at 50% of area median income (AMI) or below.

The state's primary tool for funding affordable housing production is the Housing Trust Fund. In his capital budget proposal, Governor Ferguson recommended investing $275 million in the program—an unusually large investment for a supplemental budget year. While the Legislature did not fully fund the Governor's proposal, it approved a substantial allocation to the program, reflecting continued legislative commitment to affordable housing development. Even with this investment, however, the Housing Trust Fund alone will not produce the level of housing needed for Washington State to meet its housing supply goals.

Several proposals were introduced this session that would have provided new local revenue options to support housing production. These included proposals to:

- Allow local governments to impose a tax on short-term rentals (House Bill 2559)
- Authorize all jurisdictions to seek voter approval for an additional 0.25% real estate excise tax, similar to authority currently available to San Juan County (House Bill 1480)
- Allow local governments to waive local sales and use taxes on affordable housing construction (House Bill 1717)
- Modify existing incentives to support redevelopment of parking lots and underutilized sites into housing (Senate Bill 5755)

While these proposals received legislative attention, none advanced during the short legislative session.

The Legislature did, however, provide additional flexibility in how existing housing-related revenues may be used. In recent years, lawmakers created two local-option sales tax tools to support housing investments:

- Establish a sales tax credit that cities can use to fund affordable housing (House Bill 1406 from 2019)
- Authorize a local sales tax dedicated to housing and related services (House Bill 1590 from 2020)

Both programs included restrictions on how revenues could be spent. This year, the Legislature approved Senate Bill 6027 and House Bill 2442, expanding flexibility by allowing these funds to be used for rental assistance, providing jurisdictions with additional tools to address housing affordability.

The Governor has also continued to advance his executive order establishing a Washington State Department of Housing. An advisory committee has been formed and has begun meeting to guide the development of the new agency, with the Association of Washington Cities serving as a participant. As part of this effort, a survey is currently being circulated to gather stakeholder input on the mission and role of the future agency. The survey includes several questions about how the agency should interact with cities in advancing housing policy, including topics related to land use and permit reform. Local governments are encouraged to participate and provide input.

Indigent Defense

Public defense remained one of the most unresolved pressures on local governments this year, driven largely by the Washington Supreme Court's June 2025 order requiring a two-thirds reduction in public-defender caseloads over the next decade. There were two bills introduced this session that aimed to reduce pressure on local governments. The first was House Bill

2163/Senate Bill 5913, which would clarify that the Court's 10-year phase-in takes precedence over the three-year timeline proposed by the Washington State Bar Association. Cities strongly supported this clarification, as the shorter timeline is widely viewed as unworkable given current workforce shortages and the absence of state funding. The second was Senate Bill 5914, which restructured how the Office of Public Defense distributes state funding by moving to a pro rata formula tied to documented costs. The bills did not receive public hearings and did not make any progress this session.

In the final days before the first fiscal cutoff, House Bill 1592, was unexpectedly scheduled for a public hearing. Originally introduced in 2025 and focused solely on counties, the bill was amended this year to create a city funding distribution based on misdemeanor case counts, eliminating the grant-application process. The bill also added new reporting requirements for the Office of Public Defense (OPD) and the Administrative Office of the Courts (AOC) to track caseloads, backlogs, and staffing needs. Despite the last-minute surge of attention, the bill did not pass.

Infrastructure Funding

Local governments have the responsibility of constructing and maintaining infrastructure for public services like water, sewer, and stormwater. The state's primary method of supporting local governments with this obligation is through the Public Works Assistance Account (PWAA). However, it is commonly an attractive option for operating budget writers to raid the PWAA when facing budget challenges. This year was no exception. The supplemental operating budget transfers $375 million from the PWAA to the general fund, while the final capital budget provides an additional $279.5 million in bond revenue to backfill the reduction. Combined with $100 million in *existing* bond revenue backfill and $10 million in new funding for emergency grants to public works projects impacted by extreme weather events in 2025, this gives the Public Works Board authority to award up to $389.5 million in grants and loans for infrastructure projects in FY 2027. Overall, this results in an increase of $14.5 million compared to the appropriations to the PWAA in the biennial budget. The capital budget also cuts in half an existing diversion from the PWAA to the Water Pollution Control Revolving Account, eliminating a $20.5 million transfer that was scheduled for FY 2027.

As an alternative to the PWAA, legislators have proposed creating a Washington State Public Bank to lower the borrowing costs and provide financing for infrastructure and housing. Senate Bill 5754 was originally introduced in the 2025 session and had a public hearing this session. However, the concept continues to lack the support needed to advance.

To streamline the process and reduce costs for smaller projects, the legislature passed House Bill 2420, sponsored by Rep. Janice Zahn (D-Bellevue). The bill incrementally raises the maximum contract amount eligible for small works roster procurement, allowing the limit to increase from $350,000 to $650,000 over a phased period while clarifying that the thresholds are based on estimated cost not including sales tax and retaining existing documentation, direct contracting, and public access provisions.

Protect State Funding to Locals

Over the years, the state has been reluctant to increase state-shared revenues, and this year was no exception. In fact, the final supplemental budget *reduces* cannabis revenue-sharing to cities and counties by $5 million. While any reduction in state-shared revenues is unwelcome, the impact is considerably smaller than the reductions experienced during the recession.

Land Use

The Legislature has continued its trend of preempting local governments in the name of increasing housing supply. During the first year of the biennium, lawmakers limited cities' authority to require housing developers to provide parking to reduce development costs. In the second year of the biennium, the Legislature advanced a similar proposal limiting cities' authority to require ground-floor retail or commercial space in new developments. The bill—requested by Governor Ferguson and Lieutenant Governor Heck—was supported by major employers such as Microsoft and Amazon, along with the Master Builders Association and the Sightline Institute. After several rounds of negotiations, the Legislature approved a final version of Senate Bill 6026, which the Governor signed into law. While the bill limits local authority, the final version retained some ability for cities to require ground-floor commercial or retail uses in certain circumstances and only applies to cities with a population of 30,000 or greater. Unless there is a significant political shift, legislative mandates affecting local land use authority in the name of increasing housing supply are likely to continue in future sessions.

For the second consecutive session, lawmakers considered legislation that would have significantly limited cities' authority to regulate or remove individuals occupying public rights-of-way, including individuals experiencing homelessness who are living in encampments. House Bill 2489 was approved by the House Housing Committee but did not advance further in the legislative process. Despite not passing, the proposal generated significant attention and opposition. Each year this policy is introduced and debated, it draws substantial interest from local governments, advocacy groups, and legislators due to its potential impact on cities' ability to manage public spaces and address encampments within the public right-of-way.

The Legislature has also continued to focus on the regulation and siting of "step housing" types, including shelters, transitional housing, emergency housing, and permanent supportive housing. In 2021, the Legislature adopted House Bill 1220, which required cities to allow these housing types in areas where hotels are permitted. The bill was influenced in part by events in Renton, where a Red Lion hotel was converted into a shelter and generated significant public debate about public safety impacts. At the time, cities were allowed to adopt reasonable occupancy, spacing, and health and safety regulations. However, local regulations adopted across the state have varied widely, and in some cases have been written narrowly enough to effectively prevent shelters from locating in a community.

To address these concerns, the Legislature adopted House Bill 2266 this session. The bill modifies existing law by requiring cities to allow permanent supportive housing and transitional housing in all residential zones and requiring shelters and emergency housing in all zones where hotels are allowed. It also narrows the types of spacing, occupancy, and health and safety regulations that cities may adopt. One notable provision allows cities to impose additional operational requirements when a jurisdiction contributes general fund dollars or public land to a project. Proponents believe the bill will create greater statewide consistency in how these housing types are regulated.

In addition to land use mandates, lawmakers have also focused on local permitting processes. In 2021, the Legislature adopted Senate Bill 5290, establishing permit review timelines for local governments. While jurisdictions may set their own timelines, they must meet statutory performance requirements. The law also requires the Department of Commerce to study permitting timelines statewide. Commerce released its first report shortly before the start of the legislative session, establishing baseline data and indicating that permit review timelines vary widely among jurisdictions.

This session, the Legislature adopted House Bill 2418, which makes modest changes to local permitting requirements, including clarifying when an application is considered complete and requiring jurisdictions to designate a permit review office or point of contact. Lawmakers also considered Senate Bill 5729, which would have required cities to accept architectural or engineering plans approved by licensed professionals, but that proposal did not advance. Governor Ferguson and other stakeholders have indicated that additional permit reform will likely be pursued in future sessions as part of ongoing efforts to reduce housing development timelines and costs.

Public Safety

In recent years, legislative discussions have often been dominated by public safety issues. While the topic received considerable rhetorical attention during this session, relatively few significant policy changes were enacted.

Two bills passed this session with notable implications for public safety. The first, Senate Bill 5974, establishes minimum qualifications for elected sheriffs creating background check requirements. The second, Senate Bill 6002, regulates the use of automated license plate reader (ALPR) cameras, often referred to as “Flock cameras,” which are increasingly used by local law enforcement agencies to investigate and prevent crime.

The Legislature also monitored—but did not take action on—the implementation of House Bill 2015, adopted last year. That law created a $100 million grant program and authorized a councilmanic sales tax to support local public safety investments. Several jurisdictions have expressed concern that the eligibility criteria and certification requirements established by the Criminal Justice Training Commission have been burdensome and difficult to meet, limiting access to the funding. Approximately one month into the legislative session, the Commission approved the first jurisdictions for certification under the program. Click here to view the CJTC program page.

In recent years, the Legislature has also considered proposals aimed at reducing the number of individuals entering the criminal justice system, including efforts to decriminalize certain offenses or modify detention standards. Several such proposals were introduced this session but did not ultimately pass into law. One worth mentioning is House Bill 2389, which expands alternatives to confinement and adjusts sentencing rules for juvenile offenders.

Fiscal Sustainability

While the Legislature has been focused on establishing a more stable and progressive fiscal structure for the state budget, local government budgets have not received the same level of prioritization or attention.

During the first year of the legislative biennium, significant energy was invested in a proposal to lift the 1% property tax cap. However, at the very end of the legislative session, Governor Ferguson indicated that he was not interested in signing such a proposal into law. Instead, the Legislature approved a councilmanic sales tax increase for public safety. This change makes the local tax code more regressive and more vulnerable to the ups and downs of economic downturns and broader fiscal uncertainty.

During the 2026 legislative session, the Legislature continued this trend by approving yet another councilmanic sales tax increase—this time for children, youth, and families (House Bill 2442).

Additionally, if the proposed millionaire's tax is upheld, several sales and use tax exemptions will take effect as the tax is implemented. While these exemptions are widely recognized as an opportunity to reduce cost burdens on low- and middle-income households, they will negatively impact local government revenues. The Legislature acknowledged this impact in a brief intent section that recognizes the potential reduction in local revenues and references $200 million in mitigation funding in the four-year budget outlook. However, this amount would only partially offset the fiscal impacts of the proposal.

In the third and fourth quarters of 2026, cities will begin collecting sales tax revenues on services that became taxable under legislation enacted during the 2025 session. Many cities—though not all—will experience a modest increase in sales tax collections as a result. However, this revenue increase is temporary and will likely be repealed in 2029 if the millionaire's tax is upheld.

Evidence Destruction Services Preserved

House Bill 2416, sponsored by Rep. Natasha Hill (D-Spokane), creates a declining free allowance structure and planning requirements for waste-to-energy facilities under the Climate Commitment Act. This policy was prompted by the City of Spokane's solid waste incinerator which is used by law enforcement agencies around the state, including Gig Harbor, for cost effective evidence destruction services. The bill allows the facility to develop a greenhouse gas emission reduction plan by 2030 which allows operating costs in the near term to hold steady and not require massive price increases for contracting entities, like Gig Harbor Police Department. The bill passed the Legislature and is awaiting the Governor's signature.

C. Budget Summaries

Operating Budget

The 2026 legislative session commenced with lawmakers confronting a persistent multi-year challenge - balancing the state's Operating Budget. Expenditures associated with state programs, many of which were expanded in recent years, continued to rise, while revenue growth softened. Additionally, changes to federal policies meant fewer resources were available for state services. The primary task of the short session was updating the 2025-27 biennial budget to account for these changes.

Although the February revenue forecast offered slightly improved expectations due to stronger-than-anticipated early collections from tax measures enacted in 2025, state economists cautioned that growth in K–12 education, health care, and long-term care costs continues to outpace projected revenues.

The supplemental operating budget authorizes an additional $2.3 billion in spending, bringing the biennial budget to $80.2 billion. To achieve a balanced Operating Budget, legislators relied on a combination of targeted program reductions, inter-account transfers, and new revenues generated by eliminating select tax preferences, including those affecting data centers, prescription drug wholesalers, and insurance carriers. The enacted budget uses $880 million from the Budget Stabilization Account and transfers an additional $375 million from the Public Works Assistance Account to the state general fund. It further assumes $2.23 billion in new revenue over the four-year outlook from the recently adopted millionaire's tax and incorporates the fiscal impacts of repealing the estate-tax increase approved during the 2025 session. The Budget Stabilization Account is backfilled using funds from the LEOFF 1 retirement system. For a full list of account transfers and legislation impacting revenue, click here.

Despite these adjustments, the state faces a projected $878 million deficit in fiscal year 2027—a challenge for next year's legislature, pending updated revenue forecasts. This deficit would significantly expand if the millionaire's tax were invalidated by the courts or overturned by voters. The only reason the state is not required to have a four-year balanced budget is that it utilized the Budget Stabilization Account during this biennium, which temporarily exempts it from the statutory four-year balance requirement.

Local Government Fiscal Health

In the four-year outlook, the budget includes intent to transfer $200 million from the state's general fund to a new account called Local Government Fiscal Health. The intent of this allocation is to help offset some of the local tax reductions from the implementation of the sales tax exemptions included in Senate Bill 6346, the millionaire's tax. The $200 million would be shared between cities, counties and transit agencies.

Other notable expenditures in the supplemental operating budget include:

- Roughly $1 billion to cover the state's self-insurance liability costs
- $15 million for grants to permanent supportive housing providers for operations, maintenance and service costs
- $25 million for Immigrant, Refugee, and New Arrival Supports

- $18 million for state employee collective bargaining agreements
- $82.4 million to the Disaster Response Account

To view the summary of expenditures and reductions included in the supplemental operating budget, click here. To view the text of the supplemental budget, click here.

Transportation Budget

Transportation Budget writers faced another challenging year in developing a balanced budget that meets the state's transportation needs now and into the future. In the 2025 session the Legislature adopted a 6-cent fuel tax increase and a variety of other fee increases. That resulted in an estimated $4.4 billion increase for the next three biennia. However, in the last three revenue forecasts, that estimate has been lowered by $843 million. In other words, 20% of the projected increase in resources from the 2025 session have been offset by decreases since then. The primary reason for the lower projection is declining fuel consumption. Fuel tax collections represent 40% of the total forecasted revenues, which limits overall available transportation resources.

In developing the supplemental transportation budget, the top priority for both parties and both chambers was increasing investments in preservation and maintenance of the state's highway system. Additionally, to provide clarity and certainty for long-term planning, the supplemental budget plans for the next 3-biennia, through 2031.

The supplemental budget appropriates $16.6 billion, an increase of $1.2 billion over the biennial budget. Of the total, $10.2 billion (61%) is dedicated to capital projects and programs and $6.4 billion (39%) to operating programs. The budget includes $1.5 billion in new bond authority, sufficient to provide capacity for $200 million in highway maintenance, $1.3 billion in highway preservation and $28 million in ferries preservation through the 2029-31 biennium. Click here to access Supplemental Transportation Budget documents.

Highway Preservation and Maintenance

For the current biennium, the supplemental budget allocates an additional $40 million for the WSDOT Highway Maintenance Program, $300 million for the Highway Preservation Program. In addition to these amounts, there is $65 million in federal funding for state highway flood recovery and $45 million for local highway flood recovery ($30 million for county and $15 million for city). These funds are specified for transportation infrastructure damaged during the December 2025 weather events.

Ferries

The state's ferry system includes 20 marine terminals and 21 car and passenger ferries with an average age of over 33 years. The supplemental budget allocates an additional $4 million for preservation of ferries in the current biennium and doubles that amount in each subsequent biennia, for a total of $28 million over 6 years. The budget advances $29 million of previously allocated Climate Commitment Act resources to complete the construction of new hybrid electric ferries, with the first ferry anticipated to be delivered by 2030.

In contrast to the Governor's budget which provided funding for three new ferries, the supplemental budget allocates $750,000 to the Joint Transportation Committee to convene a work group to consider options for long-term, financially sustainable vessel preservation and replacement. The work group's initial report is due to the Governor and Legislature by December 15, 2026. The budget also includes $500,000 for a feasibility study regarding the establishment of state owned or leased dry dock facilities which would enable WSDOT to control scheduling for maintenance of the ferry fleet.

Local Project Impacts

The supplemental budget makes relatively no new investments in capital projects at the state or local level. However, the budget includes intent to increase funding by $107 million for the Regional Mobility Grant Program and the Rideshare Grant Program in the next two biennia. The application window for the Regional Mobility Grant Program is already open, and the signal of increased investment means there will be additional funding awarded in the upcoming cycle. Click here to learn more about the Regional Mobility Grant Program.

The final budget also incorporates the budgeting tool referred to as "resource smoothing" which assumes a $180 million underspend of the Local Programs project list for the current biennium. This amount is invested elsewhere in the budget.

Traffic Safety & Enforcement

The biennial budget reduced funding for the WA State Patrol (WSP) due to staff vacancies and the supplemental budget restores $2.7 million of that reduction. An additional $11 million is provided to WSP for capital and operational improvements. Other traffic safety-related investments include:

- $250,000 for WSDOT to develop an implementation plan for a new Megaproject Safety Program
- $234,000 to report crash data and wrong-way driving violations at locations where wrong-way driving prevention strategies have been implemented
- Establishment of an older driver reduced fee identicard program for currently licensed drivers aged 70 years or older who wish to replace their driver's license with an identicard or an enhanced identicard

Looking Ahead

The supplemental budget makes relatively few changes to the underlying budget and signals intent to make more sweeping changes in the 2027-29 budget. Minimal funding is provided to complete studies and provide recommendations on a variety of issues, including:

- $100,000 for the Joint Transportation Committee to facilitate review of the long-term financial sustainability of the transportation budget.
- $640,000 for the Joint Transportation Committee to continue to oversee a Climate Emission Reduction Account investments tracking tool.

- $400,000 for a report on the state's maintenance and preservation needs, including recommendations for a sustainable and integrated delivery plan and a public education program on investment needs and options.

Capital Budget

The state's Capital Budget funds infrastructure and building construction for state and local communities through direct appropriations and grant programs. A percentage of the operating budget is dedicated to paying bonds issued to fund the budget. Of the three budgets, revenues in the capital budget were the most stable although not as ample as in previous years when there was an influx of federal funding from the American Rescue Plan Act (ARPA). The 2026 supplemental capital budget relies on debt limit bond capacity, Climate Commitment Act (CCA) accounts, and minimal other cash resources.

The supplemental Capital Budget authorizes $889 million in new expenditures for a total of $8.5 billion over the 2025-27 biennium. To help balance the operating budget, the capital budget transferred roughly $1 billion in cash resources typically dedicated to capital purposes. These resources included capital gains, public works and higher education building accounts, described in more detail below. To view the supplemental budget and the associated project lists and grant programs, click here.

Notable investments in the final Capital Budget include:

- The operating budget utilized $375 million of the Public Works Assistance Account (PWAA) resources and the capital budget backfills the account with $279.5 million of bond funding. There is $100 million in existing bond backfill and the capital budget allocates $10 million for emergency grants to local governments for public works projects impacted by the December 2025 flooding event. This brings the total amount of funding available in PWAA to $389.5 million.
- An additional $123 million in Housing Trust Fund investments which includes $50 million for multifamily/rental units, $40 million for preservation and $55 million for homeownership.

D. Bill Tracking List

Below is the list of bills that the City took a position on during the 2026 session. This list includes the bills that died and those that passed into law and is organized by pertinent policy topics.

Childcare

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position

SHB 2099 (Dead) (SB 5907)	ECEAP access/military	Expanding access to the early childhood education and assistance program for military families.	H Approps	Leavitt	Support

General Government

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 2173 (Dead) (SSB 5855)	Law enf. face coverings	Concerning the use of face coverings by law enforcement officers.	H Community Safe	Cortes	Support
SHB 2199	Derelict vessels	Reducing impacts from derelict vessels.	C 8 L 26	Richards	Support
HB 2332 (Dead) (ESSB 6002)	Driver privacy	Concerning driver privacy protections.	H Civil R & Judi	Salahuddin	Support
E2SHB 2416 (SB 6092)	Waste to energy facilities	Concerning fair treatment of waste to energy facilities under the climate commitment act.	Del to Gov	Hill	Support
ESHB 2442 (SB 6294)	Local government fund use	Providing local governments tax resources and fund flexibility.	Del to Gov	Berg	Support
SHB 2489 (Dead)	Public space/local use laws	Establishing statewide standards for when local governments may enforce laws regulating the use of public space for life-sustaining activities.	H Rules R	Gregerson	Oppose
SSB 5855 (HB 2173)	Law enf. face coverings	Concerning the use of face coverings by law enforcement officers.	Del to Gov	Valdez	Support
ESSB 6002 (HB 2332)	Driver privacy	Concerning driver privacy protections.	Del to Gov	Trudeau	Support

Housing Supply

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
HB 2304	Condominium warranties	Increasing the supply of condominiums by expanding the types of condominium buildings that may be subject to an express warranty of quality and express warranty insurance coverage.	C 7 L 26	Taylor	Support
SSB 6234 (Dead)	Sewage grinder pumps	Regulating sewage grinder pumps for new residential buildings.	S Rules X	Liias	Oppose

Indigent Defense

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position

ESSB 5912 (Dead)	Indigent defense task force	Reinstating the indigent defense task force.	H Approps	Torres	Support

Infrastructure Funding

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position
SHB 2420	Small works roster limits	Increasing small works roster contract limits.	C 97 L 26	Zahn	Support

City of gig harbor

2026 Legislative Session

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

purpose

Overview of the 2026 Legislative Session

Outcomes of the City’s Priorities

Next steps

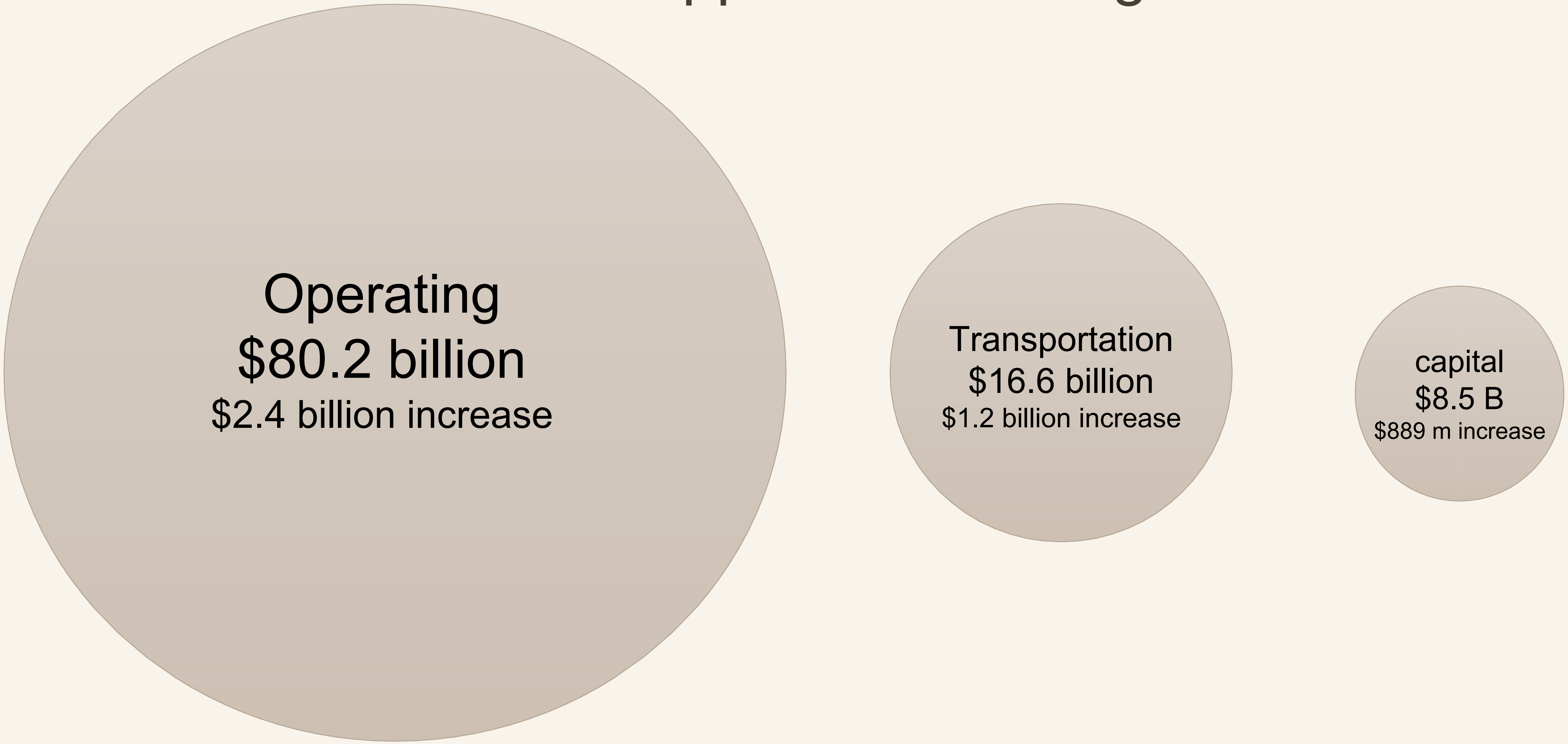
Overview

2026 Legislative Session

- 60-day session
- Second year of the biennium
- Democrats held strong majorities
- Major themes: response to federal actions, affordability, tax/budget reform
- Supplemental budgets
- 1,238 bills introduced, 268 passed into law

Overview

2026 Supplemental Budgets



Outcomes

Cities across the state

Key Takeaway: There's room for improvement

- More unfunded mandates, but not as bad as previous years
- No relief for city budgets, but fiscal flexibility
- Maintained most – but not all – state-shared revenues
- New impacts from sales and use tax exemption in millionaire's tax

Outcomes

Gig harbor Priorities

Gig Harbor Community Center	❖ Lay groundwork for the 2027 session ❖ Ongoing education and engagement
Infrastructure Funding	❖ Sweep of $375 million from Public Works Assistance Account to General Fund, backfilled with bonds
Protect State Funding to Locals	❖ Gig Harbor’s shared revenues maintained ❖ Salese tax revenue impacts from shift to progressive tax code
Public Safety	❖ Senate Bill 6002 regarding automated license plate readers

Next steps

Express gratitude to delegation
Begin preparing for the 27-29 biennium
State Legislator Elections in November
2027 Legislative Session begins January 11

Questions?

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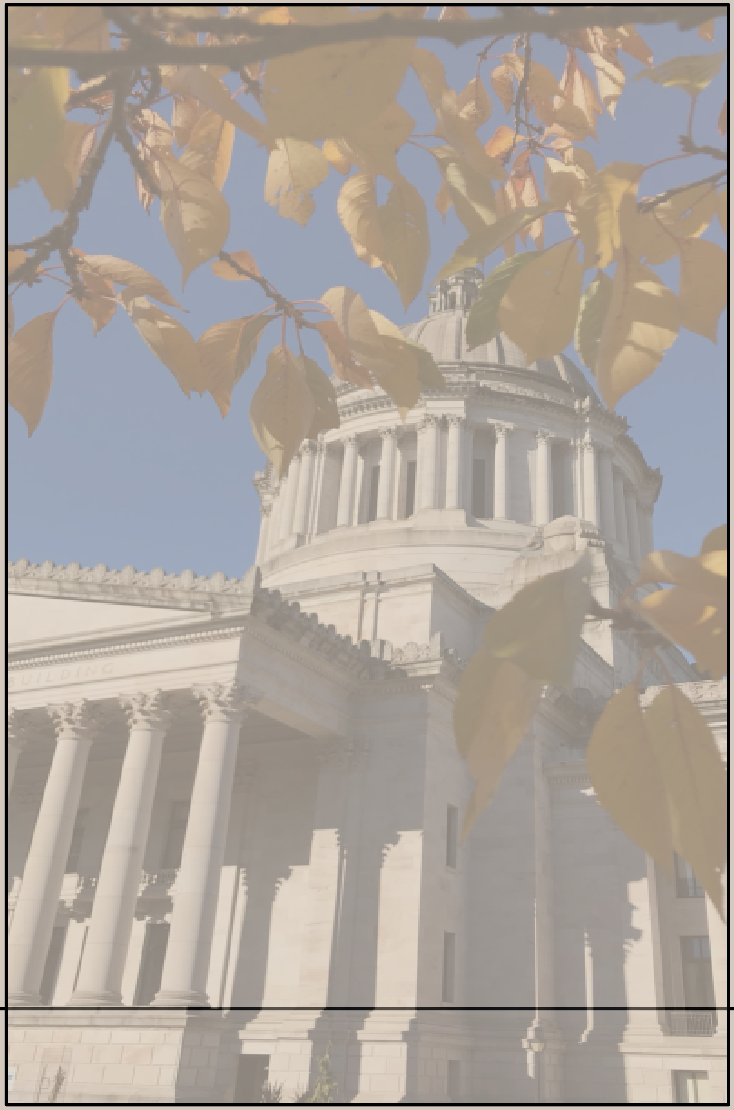

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

Washington final supplemental budgets FY 2025-27:
Selected impacts on cities

For more information, please visit the fiscal.wa.gov website for legislative budget proposals and the Office of Financial Management website at ofm.wa.gov for the Governor's proposed budget.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Operating budget – Shared revenues		
Liquor profits (Liquor Revolving Account)	$98.9 million	No change
Liquor taxes (Liquor Excise Tax Account)	$88 million	No change.
Cannabis Excise Tax	$44.2 million	Reduces by $5.1 million.
Municipal Criminal Justice Assistance Account	• $60.3 million • $266,000 for reimbursement for mandatory arrest for repeat offenders.	No change.
City-County Assistance Account (6050)	$43.8 million	Adds $1.3 million.
Fire Insurance Premium Tax	$16.9 million	Adds $1.6 million.
Local Government Fiscal Health (SB 6346)		Intent to transfer $200 million from general fund to new account beginning in 2027-29 for local impacts of millionaire tax (**SB 6346**).
Operating budget – Programs		
General Government		
Pensions	• Select Committee on Pension Policy to study implications of possible Plans 1 merger (as suggested by **SB 5085**) or LEOFF 1 restatement (as suggested by **HB 2034**). Report by January 9, 2026. • Pension rates adjusted to take into account **SB 5357**. New employer rates: ▪ PERS 5.38% ▪ PSERS 6.91% ▪ LEOFF 2 employer rate: 5.32%	• Transfers $880 million from pension funding stabilization account to budget stabilization account by Jun 30, 2029 (**HB 2034**). • Transfers $539 million from Pension Surplus Holding Account to Climate Commitment Account in 2027-29.
PERS 1 COLA	No PERS 1 COLA included.	Adds $10,000 for PERS plan 1 COLAs (**SB 5862**).

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Paid Family & Medical Leave Program	• $10.8 million for additional staff to process PFML customer and employer inquiries. • $8.9 million completing statutorily required PFML implementation. • $5 million to implement changes to PFML job protections.	Adds $1.2 million to implement paid leave contributions (**HB 2345**).
Miscellaneous HR & labor provisions of interest	• $851,000 to implement restriction on including unnecessary driver requirements in job applications (**SB 5501**). • $852,000 to implement UI benefits for striking workers (**SB 5041**). • $102,000 to implement changes to public employee bargaining (**SB 5503**).	Adds $19 million to support unemployment program due to projected federal revenue shortfall.
Municipal Research and Services Center	$6.8 million	No change.
Municipal Revolving Account	Sweep of $5 million from State Auditor municipal revolving account balance of local audit fees.	No change.
Elections	$500,000 to UW to study local government compliance with voting and elections laws and recommend best practices.	No change.
Public Safety & Criminal Justice		
Training for law enforcement	• Funds 23 BLEA classes per year in 2026 and 2027, with two per year in each of four regional academies in Arlington, Pasco, Spokane, and Vancouver. Remaining classes in Burien. • Reinstates 25% local match for BLEA and basic corrections officer training programs.	No change.
Crisis intervention training	$1.8 million for *Trueblood* phase 1-3 regions.	No change.
Co-responder team funding	$5.2 million for cities/counties alternative response, including: • $4 million to AWC to provide funds to cities to create alternative response team programs around the state. • $1.2 million to support Whatcom County alternative response team.	• Reduced AWC alternative response grants by $600,000. • Reduced Whatcom alternative response team by $176,000.
Law enforcement behavioral health & suicide prevention program	$5 million to the CJTC for officer wellness programs, including: • $3 million for grants to local law enforcement agencies for wellness programs. • $2 million for a wellness app.	No change.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Public safety funding	• $100 million for public safety funding grants to support recruiting, hiring, retaining, and training officers and co-responders (**HB 2015**). • $635,000 to CJTC to administer grants.	No change.
Organized retail crime program		Adds $500,000 for statewide organization to conduct a retail crime pilot program focused on diversion-oriented programs.
Auto theft prevention authority	Transfers $1.8 million to general fund.	Transfers an additional $2.1 million to general fund.
Drug & gang prevention	$1 million grant program.	No change.
Impaired driver safety account	$1.2 million	No change.
Small & rural court grants for increased security	$1 million for grant matching funds to increase small rural court security.	No change.
Public defense grants	• $900,000 for grants to cities. • Additional $2.7 million for public defense grants to cities.	Reduced public defense grants to cities by $180,000 due to state budget drafting error.
Vacating & resentencing under *State v. Blake* decision & refunding LFOs	• $5.9 million to AOC to refund legal financial obligations vacated under *Blake* and an additional $1.7 million for the activities of the AOC including contracting with cities and counties to disburse legal financial obligations. • $7.6 million to AOC to assist cities and counties with costs to comply with *Blake*. • $8.6 million to the Office of Public Defense to assist cities and counties with public defense services related to *Blake,* including SPAR grants.	No change.
Human Services		
Community Behavioral Health	Continued investments in the community behavioral health system, including: • $78.5 million for community treatment (PACT) teams. • $4.1 million for mental health services for mentally ill offenders in county or city jails and connection to services after release from confinement. • $38.1 million for clubhouse programs. • $17 million for substance use disorder peer support. • $61.2 million to support the housing needs of individuals with behavioral health disorders. • $9.5 million for health engagement hub pilot program sites (**SB 5536**). • $5.3 million to continue behavioral health street	Reduces investments in the community behavioral health system, including: • $5.7 million reduction for clubhouse programs. • $1.2 million reduction for health engagement hub pilot program sites (**SB 5536**). • $1 million reduction to distribution of naloxone to community health programs and community settings. • Adds Clallam County to street medicine team eligibility.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
	medicine teams for homeless individuals in Tacoma, Everett, and Spokane, plus King and Kitsap Counties. • $6.9 million to expand distribution of naloxone to community health programs and other community settings.	
Forensic mental health	• $18.3 million to phase-in *Trueblood* settlement competency evaluations, competency restoration, forensic navigators, crisis diversion and supports, education and training, and workforce development. • $14.3 million to improve the timeliness of competency evaluations for individuals in local jails. • $8 million, including $7 million for *Trueblood* phase one and phase two regions. • $10.3 million to expand efforts to provide opioid use disorder and alcohol use disorder medication in city, county, regional, and tribal jails.	$1.3 million reduction for phase-in *Trueblood* settlement competency evaluations, competency restoration, forensic navigators, crisis diversion and supports, education and training, and workforce development.
Foundational public health	$300.2 million	Adds language directing $2.5 million of existing funding to maintain core infrastructure and staff.
Housing & Homelessness		
Housing and homelessness	• $200 million for covenant homeownership program. • $137 million for HEN program. • $117.6 million for grants to local governments to maintain programs impacted by loss of document recording fees. • $111 million for grants for local governments and NGOs for homeless housing programs and services. • $90 million to transition those living in encampments to safer housing. • $30.4 million for homeless families, youth prevention and diversion. • $25 million for grants to support building operations, maintenance and service costs of permanent supportive housing projects. • $22.5 million for housing assistance, including rental subsidies, permanent supportive housing, and low- and no-barrier housing beds for unhoused individuals. • $6.5 million for Consolidated Homeless Grant Program. • $1.2 million for foreclosure prevention assistance. • $1 million for diversions services for those at risk of	• $4.5 million reduction in permanent supportive housing for families that are chronically homeless with a disability. • Adds $15 million for grants to permanent supportive housing providers for O&M. • Adds $313,000 to support a task force to establish a state department of housing.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
	losing stable housing or are homeless that are determined to have a high probability of returning to stable housing.	
Land Use & Environment		
Stormwater nonpoint pollution	$8.5 million for Ecology to address and mitigate 6PPD (tire chemical lethal to salmonids), including to identify effective management practices for stormwater treatment. Including: • $4.4 million to identify effective best management practices to treat 6PPD in stormwater. • $2.7 million to develop a strategy and recommendations to eliminate 6PPD in consumer products.	No change.
PFAS and water quality	• $4 million to investigate and monitor sources and impacts of PFAS, including a study of how to manage discharges at municipal wastewater treatment facilities. • $196,000 to implement **SB 5033**, required PFAS testing of biosolids.	No change.
Growth Management Act Planning Grants	• $22.5 million for local government climate planning implementation. • $18 million for updating comprehensive plans and development regulations to comply with the Growth Management Act. • $3.8 million to support implementation of various land use bills (**HB 1096** (lot splitting), **HB 1183** (development regulations), **HB 1491** (transit density), **SB 5148** (housing element audits), **SB 5509** (childcare zoning), **SB 5559** (subdivision reform), & **SB 5587** (housing gaps report & infill housing). • $1.7 million to increase middle housing.	• Reduces 2027 GMA periodic update formula planning grants by $2.9 million and repealed proviso allowing for a competitive grant cycle for unallocated funds. • Adds $500,000 for grants to local government to update permit review processes.
Clean energy technologies	• $5 million to support local governments in siting and permitting clean energy projects. • $13 million to assist owners of public buildings conduct energy audits. • $10 million to assist local governments, local organizations, and tribes to access federal tax incentives and grants.	• Reduces assistance to local governments, local organizations, and tribes to access federal tax incentives and grants by $2.5 million. • Reduces assistance to owners of public buildings for conducting energy audits by $1.6 million.
Climate mitigation and resiliency	$1.9 million for coastal hazard monitoring and resilience, including grant technical assistance to local governments and tribes.	Adds $10 million for community wildfire resilience per RCW 76.04.511(3)(c).

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Urban and Community Forest Grant Program	$3 million.	No change.
Public Works & Infrastructure		
Public Works Assistance Account (PWAA)	$288 million transfer from PWAA to state general fund in FY 2026. *See also PWAA under **Capital Budget.***	Adds $375 million transfer from PWAA to state general fund on June 30, 2027.
Local Solid Waste Financial Assistance	$24 million for Local Solid Waste Financial Assistance grants.	No change.
Utility assistance	$25 million for grant funding through existing network of federal low-income home energy assistance.	Adds $30 million for grant funding through existing network of federal low-income home energy assistance.
Capital budget		
Public Works & Infrastructure		
Public Works Assistance Account (PWAA)	• $365 million in new funding • $468 million in new and existing diversions: - $288 million to general fund (new) - $114 million ($57 million/year) transfer to general fund (temporary redirection of existing transfers to the Move Ahead WA Account). - $41 million to Water Pollution Control Revolving Account. - $25 million to Drinking Water Assistance Account. *See also PWAA under **Operating Budget.***	Adds $14.5 million • $279.5 million in new bond revenue (backfilling sweeps) • $10 million for emergency grants to local governments impacted by 2025 weather events. • $381.9 in new diversions. - $375 million transfer to general fund in FY 2027. - $6.9 million transfer to Drinking Water Assistance Account. - Reduces existing diversion to Water Pollution Control Revolving Account to $20.5 million *See also PWAA under **Operating Budget.***
Stormwater Financial Assistance Program	$60 million	No change.
Puget Sound Nutrient Reduction WWTP Grant Program	$10 million	No change.
Drinking Water State Revolving Fund Loan Program (DWSRF)	• $120 million for water system infrastructure construction projects through DWSRF. • $25 million for DWSRF state match dollars from PWAA.	Adds: • $3 million for DWSRF preconstruction loans. • $6.9 million for DWSRF state match dollars from PWAA.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Water Pollution Control Revolving Loan Program	$614 million: • $214 million federal • $400 million state $41 million PWAA	No change.
Centennial Clean Water Grant Program	$40 million	No change.
Community Economic Revitalization Board (CERB)	$81.3 million for CERB Capital Construction.	No change.
Broadband grants and loans	$1.3 billion, including: • $114 million as match for Broadband Equity, Access, and Deployment state grants program from IIJA. • $1.2 billion federal.	No change.
Regional Approaches Grant Program	$2 million	No change.
Land Use & Environment		
Puget Sound Restoration and Salmon Recovery Grants	• $105 million for Salmon Recovery Funding Board (SRF) grants, plus an additional $20 million for riparian area grants. • $60.5 million for Puget Sound acquisition and restorations. • $9.6 million for Washington Coastal Restoration & Recovery.	No change.
PFAS & Water Quality	$14.5 million to address PFAS cleanup.	No change.
Remedial Action Grants	$84.4 million	No change.
Urban and Community Forest Grant Program	$6.2 million	Adds $3 million.
Floodplains by Design Grant Program	$75.7 million	No change.
Aquatic Lands Enhancement Account	$4.3 million	No change.
Washington Wildlife & Recreation Program	$120 million	No change.
Youth recreational facilities	$7.6 million for specific projects.	No change.
Youth and community outdoor athletic facilities	$19.8 million for specific projects.	No change.
Fish Barrier Removal Board	$32.5 million to fund identified projects and agency administration.	No change.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Air quality & greenhouse gas reduction	• $10.1 million for landfill methane capture grants. • $4.1 million for community participatory budgeting program for mitigating climate change impacts on overburdened communities.	No change.
Clean energy & climate resilience and mitigation	• $35 million for Weatherization Plus Health grants. • $26 million for Clean Energy Fund program. • $23 million for Community EV charging grants. • $20 million for Solar and Energy Storage grants. • $11 million for Energy Retrofits for Public Buildings grants. • $10 million for Clean Energy Community grants. • $5 million for Clean Buildings Performance grants. *Extended 2023-25 appropriation of clean energy retrofit dollars for grants (administered by AWC) for energy audits of city-owned tier 1 & 2 buildings into FY 2026.*	Adds $11 million for Weatherization Plus Health grants.
Housing & Homelessness		

Housing Trust Fund	$605 million, including:
	• $536 million for housing to benefit low-income and special needs populations, including permanent supportive housing, including:
	  ◦ $215 million multifamily rental housing.
	  ◦ $100 million for Apple Health & Homes.
	  ◦ $75 million for first-time low-income homeownership.
	  ◦ $62 million for identified projects.
	  ◦ $50 million for housing for those with developmental disabilities.
	  ◦ $50 million for affordable housing preservation.
	  ◦ $30 million for mobile home park preservation.
	  ◦ $10 million for rapid conversion or acquisition of housing to address extremely low-income and unhoused populations.
	  ◦ $5 million for farmworker housing.
	  ◦ $5 million for urgent repair grants.
		Adds $123 million, including:
		• $96 million, for housing to benefit low-income and special needs populations, including permanent supportive housing, including:
		  ◦ Reduction in Apple Health & Homes by $57 million.
		  ◦ $55 million for first-time low-income homeownership.
		  ◦ $49 million for multifamily rental housing projects.
		• $40 million for affordable housing preservation. Projects impacted by December 2025 atmospheric river and winter weather event are eligible.
		• $8 million for farmworker housing.
		• $21 million for identified projects.
		• $5 million for urgent repair grants or risk mitigation for affordable housing.
		•

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Additional investments in housing and shelters	• $90 million for Connecting Housing to Infrastructure (CHIP) grants to local governments. • $22 million for identified projects. • $14.7 million for recovery residences grants. • $9 million for youth shelters and housing. • $8 million for identified transit-oriented housing projects. • $5 million for low-income home rehabilitation grants.	• Adds proviso to allow CHIP to fund deferred loans. • Adds $37 million for identified projects. • Adds $17 million for grants and technical assistance for mobile home communities. • Adds $5 million for projects impacted by December 2025 atmospheric river and winter weather event.
Human Services		
Behavioral Health Community Capacity	$119.8 million, including: • $70 million for competitive community behavioral health grants to address regional needs, including preventing closure of existing facilities, youth and adult bed capacity, facilities that serve specialized populations, and crisis relief centers. • $49.8 million for 11 specific local crisis stabilization projects.	Reduced to $74.3 million and allocated differently: • Reduces $60 million from the competitive community behavioral health grants. • Adds $14.5 million for 10 additional specific local crisis stabilization projects
Transportation budget		
WSDOT Local Programs Capital budget	$962.7 million	$180 million temporary diversion from existing legislative appropriations to local projects; assumes delay in delivery of projects.
Statutory transfers to local governments	• $494 million • Additional $36.2 million over next 3 biennia for city distribution of 6-cent increase to motor vehicle fuel tax.	Adds $14.5 million.
Transportation Improvement Board (TIB)	$310.8 million, including: • $3.9 million to Small City Pavement and Sidewalk Program. • $24.6 million for Complete Streets grants. • $9.3 in preservation funding for cities. Legislature intends to provide an additional $21 million in 2027-29 for the Complete Streets Program.	Adds $15 million in assistance for cities recovering from 2025 weather events.
Recovery from 2025 weather events	-	See ***Transportation Improvement Board***.
Safe Routes to Schools Grants	$83.4 million	Adds $34 million.
Pedestrian and Bicycle Safety Programs & Grants	$81.7 million	Adds $33.4 million.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Safety and Active Transportation	• $33.2 million for the Sandy Williams Connecting Communities Pilot Program for projects to reconnect communities bifurcated by state highways. • $500,000 for grants to local jurisdictions to implement network-wide traffic conflict screening programs.	Adds: • $13.2 million for the Sandy Williams Connecting Communities Program. • $500,000 for local jurisdictions to implement network-wide traffic conflict screening programs. • $6.5 million for the Reducing Rural Roadway Departures Program, to which cities are now eligible to apply.
Freight Mobility Strategic Investment Board	• $44.2 million for FMSIB recommended projects. • $35.5 million in federal funds for recommended local preservation projects.	Adds: • $4.9 million for FMSIB recommended projects. • $8 million in federal funds for recommended local preservation projects.
Fish passage	• Retains proviso language to coordinate with Fish Barrier Removal Board on watershed approach to include local culverts. • Includes language allowing partnerships to leverage state and local funds to match opportunity for federal funding under BIL.	No change.
Homeless encampments	$9.2 million to address homeless encampments on WSDOT-owned rights-of-way in coordination with local governments and social service organizations to direct people to housing and prevent future encampments. • A minimum of $2 million dedicated to litter removal. • $1 million in coordination with the City of Spokane. • $1 million for safety improvements and debris cleanup in Seattle. • $1 million in coordination with the City of Tacoma. • $1.2 million to contract with the City of Fife. *See also Housing and Homelessness in **Operating budget***	No change.
Rural mobility grant	$32.2 million	No change.
Alternative fuel and electric vehicle infrastructure	• $25 million for clean alternative fuel vehicle charging and refueling infrastructure program. • $3.5 million for an e-bike lending library and ownership program offering competitive grants.	No change.
Federal fund exchange pilot program	$17.5 million for a federal fund exchange pilot program of Transportation Block Grant population funding and state funds at an exchange rate of 95 cents in state funds per $1 in federal funds.	No change.

	Final 2025-27 Budget	Final passed Supplemental 2025-27 budget
Studies	• $250,000 to update the 2013 memorandum of understanding between AWC and WSDOT for the construction, operations and maintenance responsibilities for city streets as part of state highways. • $140,000 for the JTC to update the 2019 assessment of city transportation funding needs. • $200,000 for the JTC to study alternative new methods for local governments to fund sidewalk improvements.	No change.
FHA bridge load rating	$5 million for the County Road Administration Board to provide grant dollars to counties and cities for the costs associated with obtaining a new federal highway administration load rating.	No change.

GORDON THOMAS HONEYWELL
GOVERNMENT RELATIONS

Bills Impacting Cities
2026 Legislative Session

Below is a list of bills that passed this session that impact city operations and interests or will likely require a change in city code. We encourage you to review and prepare for the requirements outlined in the following bills. For reference, click here to view all bills approved by the Legislature, even those without a nexus to city government.

Child Care

Child Care Operational Flexibility: House Bill 2219, sponsored by Rep. Lillian Ortiz-Self (D-Mukilteo), allows licensed child care centers to use limited mixed-age staffing ratios each day and permits returning or experienced staff to waive repeat completion of the state's early learning orientation when certain conditions are met.

Early Learning Licensing Exemption: House Bill 2317, sponsored by Rep. Carolyn Eslick (R-Sultan), revises the definition of "agency" under state early learning licensing law to exclude certain school-day Early Childhood Education and Assistance Program (ECEAP) and Head Start programs that are located in a public school building or community or technical college building, or on the premises of a public school or community or technical college. This change narrows which early learning programs require state child care licensing, reducing regulatory requirements for specified school- and college-based early childhood programs and aligning them more closely with K-12 and higher education facility oversight.

Courts

Court System Unification Task Force: House Bill 1909, sponsored by Rep. Jamila Taylor (D-Federal Way), creates a statewide Court Unification Task Force to evaluate how disparate local rules, technology, and funding create inefficiencies and inequities, and to recommend more unified approaches to improve access and consistency statewide. The task force must convene by October 1, 2026, report preliminary findings by June 30, 2027, submit a final strategic plan by June 30, 2028, hold at least one additional full meeting before June 30, 2029, and then sunset on December 31, 2029.

Court Procedures Update: House Bill 2178, sponsored by Rep. My-Linh Thai (D-41st LD), updates civil infraction timelines by extending the response period to 30 days for personally served notices and 33 days for notices served by mail, changes the filing deadline for notices of infraction to five days excluding weekends and holidays and requires untimely notices to be dismissed without prejudice absent good cause shown, increases the damage threshold for aggregating certain malicious mischief charges to second degree from $250 to $750, enhances access to payment plans for civil infraction monetary obligations by allowing requests at any time and requiring courts to enter into payment plans in specified circumstances while permitting discretionary plans after referral to collections, corrects a technical cross-reference related to litter penalties, repeals an obsolete legal financial obligations collection and distribution statute, and requires annual state treasurer distributions to counties for clerk collection budgets based on a formula recommended by the Washington Association of County Officials.

Energy

Clean Energy Tax Preferences: House Bill 1210, sponsored by Rep. Stephanie Barnard (R-8th LD), seeks to extend targeted urban area property tax exemptions to clean energy transformation businesses and facilities requiring federal regulatory commission certification to promote economic growth and carbon-free energy goals. The bill defines "clean energy transformation business" to include businesses that create a product for sale that will aid in lowering Washington's carbon emissions, while excluding government agencies and tribal nations. It introduces new requirements for tax exemption applications and post-construction documentation for facilities requiring federal regulatory commission certification, including community workforce or project labor agreements, compliance with labor standards, and consultation with the Department of Labor and Industries to confirm wage, apprenticeship, and labor law compliance, and allows for extended project completion deadlines specifically for those facilities. The bill also exempts the tax preferences from certain performance review provisions.

Renewable Energy Taxation and Siting: House Bill 1960, sponsored by Rep. Alex Ramel (D-Bellingham), establishes a new state excise tax framework for large wind, solar, and battery storage facilities that replaces the existing renewable energy excise regime and property tax treatment, paired with optional local excise taxes, property tax exemptions for renewable energy personal property, a local community investment account with matching grants for jurisdictions hosting projects, tribal capacity grants funded in part from climate policy accounts, and minimum siting and wind facility decommissioning standards that counties and cities must meet to qualify for grant funding.

Coal Plant Greenhouse Gas and Tax Regulation: House Bill 2367, sponsored by Rep. Joe Fitzgibbon (D-West Seattle), would end special greenhouse gas protections and coal sales and use tax exemptions for a specific coal-fired power plant, bringing its post-2025 emissions under the state cap-and-invest program and allowing additional state or local greenhouse gas requirements after 2025.

Finance

Affordable Housing Revenue Flexibility: Senate Bill 6027, sponsored by Sen. Emily Alvarado (D-West Seattle), expands eligible uses of sales and use tax authority and local state credit sales and use tax to include operations, maintenance, and rehabilitation of existing affordable and supportive housing, and revises document recording fee distributions and eligible activities to prioritize households below 30% of area median income while directing Commerce to maintain stability for existing permanent supportive housing projects.

Tax Increment Financing Revisions: House Bill 2451, sponsored by Rep. Davina Duerr (D-Bothell), addresses special district concerns while maintaining and tightening the tax increment financing (TIF) tool. The bill is the result of a stakeholder workgroup convened by AWC last year to discuss how TIF works, what the impacts are, and potential revisions to the tool. It makes multiple changes to local TIF rules to clarify project eligibility, require mitigation for affected taxing districts, restructure revenue apportionment, and limit the use of the mandatory multifamily property tax exemption in increment areas taking effect on or after June 2, 2026. The bill applies its changes prospectively, so existing increment areas are not modified.

Senior and Disabled Property Tax Relief and State Levy Consolidation: Senate Bill 6162, sponsored by Sen. Deborah Krishnadasan (D-Gig Harbor), expands senior, disabled, and veteran property tax exemptions and deferrals by raising benefit tiers, redefining income eligibility with a standard deduction and rental income exclusions, and tying thresholds to higher percentages of county median income, while consolidating the state school property tax into a single "state school levy" that is subject to regular levy growth limits beginning with taxes levied for collection in 2028.

Fire Service

Wildfire Alleviation Support Funding: House Bill 2089, sponsored by Rep. Shaun Scott (D-43rd LD) and titled the "Wildfire Alleviation Support Act," modifies Washington's business and occupation tax treatment of certain mortgage interest by redefining when interest earned by high volume mortgage lenders is taxed, with the additional general fund revenue annually transferred into the state's wildfire response, forest restoration, and community resilience account to restore and support ongoing preparedness, mitigation, and community resilience activities beginning July 1, 2026. The bill responds to a reduction in the previously planned biennial investment in the wildfire response account by directing the Department of Revenue to estimate the increased general fund revenue attributable to the revised tax structure by October 15, 2027, and annually thereafter, and requiring the State Treasurer to transfer that amount to the wildfire response, forest restoration, and community resilience account by November 1 each year.

Wildland Firefighting Aviation: House Bill 2104, sponsored by Rep. Tom Dent (R-13th LD) and Rep. Larry Springer (D-Kirkland), makes permanent the state's aviation assurance funding program for wildland fire response, converting a successful pilot into an ongoing mechanism to support local firefighting aviation resources. The bill removes the prior sunset and affirms continued financial support through the Department of Natural Resources for local and tribal suppression efforts using aviation assets under trained air operations commanders, solidifying the program as a standing component of the state's wildland fire strategy.

Ambulance Personnel Requirements: House Bill 2110, sponsored by Rep. Joe Schmick (R-9th LD), allows qualified registered nurses, even without EMT certification, to staff interfacility specialty care ambulance transports under specified conditions when paramedics or nurse-EMTs are unavailable, clarifying definitions of interfacility and specialty care transports to better address workforce shortages and providing that the sending hospital must coordinate with the ambulance service to ensure the nurse is familiar with the ambulance's equipment and supplies before participating in a transport.

Fire Sprinkler Enforcement: House Bill 2472, sponsored by Rep. Dan Bronoske (D-Lakewood), enhances enforcement of existing fire protection sprinkler licensing laws by authorizing investigations, stop work orders, documentation checks, payroll record reviews, and safety-based system replacement determinations to ensure only properly licensed contractors and certified fitters perform sprinkler work, including residential systems, and requiring contractors and fitters to provide proof of licensure or certification upon request from a fire code official.

EMT Recertification Intervals: House Bill 2540, sponsored by Rep. Dan Bronoske (D-Lakewood), extends the recertification period for emergency medical technicians from three to six years for practitioners who have been certified in Washington for at least ten years, while retaining the three-year interval as the standard requirement for all others.

Wildfire Home Hardening in Common Interest Communities: Senate Bill 6054, sponsored by Sen. Victoria Hunt (D-Issaquah), prohibits homeowner and condominium association governing documents from unreasonably restricting an owner's installation, use, or maintenance of qualified fire-hardened building materials that meet specified wildfire safety standards, including ignition-resistant construction under the International Wildland Urban Interface Code, relevant NFPA wildland construction standards, or Insurance Institute for Business and Home Safety wildfire-prepared home criteria. Associations may adopt reasonable aesthetic or design regulations regarding the design, dimensions, placement, or appearance of these materials as long as such rules do not make their use impractical or significantly increase their cost compared to alternative fire-hardened materials, and the bill clarifies that owners do not gain any right to construct on property owned by others, on leased property without lessor permission, or in common areas. Any conflicting existing provisions are rendered unenforceable until the bill's sunset on January 1, 2028.

Housing Affordability

Social Housing Framework: House Bill 1687, sponsored by Rep. Julia Reed (D-36th LD), amends Washington's housing cooperation statute to explicitly recognize social housing public development authorities (SHPDAs) and social housing within existing authority for state and local government support of housing projects. The bill defines "social housing" as subsidized and cross-subsidized rental housing available to households of any income level, publicly owned in perpetuity by a social housing developer, and adds related income and cross-subsidization definitions. SHPDAs are treated as housing authorities for cooperation purposes, allowing state public bodies to aid SHPDAs on the same basis as traditional housing authorities, including conveying or leasing property, providing adjacent public facilities and services, purchasing bonds or other obligations, entering into long-term agreements, making payments in lieu of taxes or no payments, and lending or donating money and support to boards of commissioners. Key provisions include the introduction of cross-subsidization, where rents from high-income households offset lower rents for low- and moderate-income households, and streamlined procedural requirements for state public bodies to authorize housing-related actions.

Religious Organization Affordable Housing Density Bonuses: House Bill 1859, sponsored by Rep. Osman Salahuddin (D-Redmond), modifies the current requirement that cities and counties must grant increased residential density for affordable housing developments on property owned or controlled by religious organizations by lowering the affordability set-aside threshold from 100% of units to either 50% of units to be affordable to low-income households or 20% of units to be affordable to very low-income households, and clarifies that affordability is based on monthly housing costs not exceeding 30% of a qualifying household's income. The bill also requires local jurisdictions to develop policies to implement these density bonus provisions upon request from a religious organization and allows them to require higher affordability set-asides as a condition of receiving the increased density bonus.

Homeless Youth Advisory Committee Membership: Senate Bill 5957, sponsored by Sen. Tina Orwall (D-Des Moines), expands and diversifies the Office of Homeless Youth Prevention and Protection Programs advisory committee by specifying broader representation, clarifying appointment and staffing roles, and allowing young adult members who turn 25 to complete their terms, thereby strengthening the committee's capacity to advise on funding, policy, and practice to reduce youth homelessness.

Condominium Warranty Changes: House Bill 2304, sponsored by Rep. Jamila Taylor (D-Federal Way), expands the types of small condominium buildings that can substitute insured express warranties for statutory implied warranties of quality by allowing this option for buildings with up to twelve units and four or fewer stories.

Nonprofit Housing Property Tax Exemptions Alignment: House Bill 2610, sponsored by Rep. Chipalo Street (D-Seattle), revises property tax exemptions for nonprofit homeownership and affordable housing by aligning them with general nonprofit standards, clarifying exclusive-use requirements, and coordinating expiration dates through 2038.

Eviction Notice Service: House Bill 2664, sponsored by Rep. April Connors (R-Kennewick), standardizes service of eviction and related notices by eliminating the certified mail requirement, directing mailed notices to the tenant's place of residence rather than their last known address, and clarifying that service by mail is complete when the notice is deposited in the U.S. mail from within Washington state, properly addressed with postage prepaid.

Flood Risk Disclosures for Rentals: Senate Bill 6237, sponsored by Sen. Jessica Bateman (D-Olympia), expands landlord duties under the Residential Landlord-Tenant Act by requiring, for residential leases entered into after December 31, 2026, disclosure that a property may be located in a special flood hazard area or area of potential flooding, that the landlord's insurance does not cover loss of the tenant's personal possessions and that tenants should consider renter's and flood insurance, and that information about hazards affecting the property, including potential flood risk, is available from the county government in which the property is located, and makes conforming renumbering changes to existing landlord duties without otherwise altering them.

Human Resources

Employee Information Sharing Expansion: House Bill 2091, sponsored by Rep. Julia Reed (D-Seattle), expands the requirement to provide employee contact information to unions from a limited set of higher education institutions to all public employers covered under the state employee collective bargaining statute, standardizing disclosure obligations statewide by eliminating the prior limitation that applied only to certain four-year universities so that all employers subject to the chapter must provide specified employee information to exclusive bargaining representatives upon request; the bill also temporarily limits employer liability for failing to provide required information when an employer is unable to do so due to limitations of its current technological systems until the state's One Washington human resources Phase 2 subproject is completed and fully implemented.

Workers' Compensation Rate Transparency: Senate Bill 6136, sponsored by Senator Curtis King (R-Yakima), requires the Department of Labor and Industries to publish actuarially indicated workers' compensation premium rates and disclose any director-imposed limitations that cause cross-subsidization among risk classes. The bills also require this information to be posted online and transmitted to legislative committees and the workers' compensation advisory committee to support more informed oversight of the program.

Workers' Compensation Medical Access and Claims Management: Senate Bill 5847, sponsored by Sen. Rebecca Saldaña (D-Seattle), expands injured workers' access to workers' compensation medical treatment and provider choice, eases access to nonnetwork providers when network access fails, tightens utilization review timelines, and authorizes additional claims managers to reduce caseloads and improve claim oversight. The bill also clarifies employer conduct standards around provider coercion, updates treatment duration and post-closure care rules including ongoing monitoring for accepted cancer conditions, modernizes provider network guidelines and appeal rights, and phases in these changes across all claims regardless of injury date through staggered effective dates.

Voluntary Layoff Unemployment Eligibility: House Bill 2264, sponsored by Rep. Liz Berry (D-Seattle), clarifies that employees who volunteer for employer-initiated layoffs or reductions in force under a written workforce reduction plan are treated as unemployed through no fault of their own and may receive unemployment benefits if separated on or after June 14, 2026. The bill limits eligibility to situations meeting specified written notice and volunteer criteria, excluding early retirement or separation incentive programs that do not follow the formal reduction plan framework, while allowing employers to let workers rescind a volunteer offer without jeopardizing eligibility as long as the core conditions are met.

Mandatory Microchip Ban: House Bill 2303, sponsored by Rep. Brianna Thomas (D-West Seattle), prohibits employers from requesting, requiring, or coercing employees or job applicants to receive an implanted microchip and establishes a private right of action for violations. The bill adds a new section to employment law to regulate the use of implanted microchips in the workplace and authorizes courts to award injunctive relief, actual and punitive damages, and reasonable attorneys' fees and costs to aggrieved employees.

Paid Family and Medical Leave Premium Allocation: House Bill 2345, sponsored by Rep. Suzanne Schmidt (R-Spokane Valley), adjusts how paid family and medical leave premiums are split between employers and employees by reversing which portions of the premiums may be deducted from employee wages so that employers may now deduct up to the full amount of the required medical leave premium from employee wages and redefining the maximum employee-deductible share of the family leave premium through a new cross-referenced formula designed to keep the overall employer-employee split of the total premium unchanged, while leaving unchanged the overall premium rate structure and the ability of employers to cover part or all of the employee share.

PTSD Workers' Compensation Pilot and Behavioral Health Grants: House Bill 2405, sponsored by Rep. Suzanne Schmidt (R-Spokane Valley), expands workers' compensation law by authorizing Labor and Industries to fund workplace behavioral health initiatives for trauma-exposed occupations and establishing a time-limited PTSD pilot program that provides pre-adjudication and limited post-closure treatment while easing administrative burdens and protecting certain treatment records from disclosure. House Bill 2405 further specifies use of existing Safety and Health Investment Project return-to-work funds for behavioral health workplace grants and clarifies how nonnetwork providers may deliver short-term PTSD care within the pilot.

Electronic Labor & Industries Communications Modernization: Senate Bill 6039, sponsored by Sen. Curtis King (R-Yakima), authorizes the Department of Labor & Industries and related entities to use trackable electronic or nonelectronic methods for notices, standardizes deadlines when service is electronic versus nonelectronic, and modernizes notice requirements for workplace safety rulemaking.

Expanded Shared Leave Protections: House Bill 2411, sponsored by Rep. Osman Salahuddin (D-Redmond), expands the state employee shared leave program to cover hate crime victims and absences related to immigration enforcement actions involving employees or their families, with confidentiality protections for immigration-related verification and updates to the definitions of eligible family members and victims.

LEOFF Survivor Medical Benefits: House Bill 2441, sponsored by Representative Sam Low (R-Lake Stevens), expands and clarifies that surviving spouses, domestic partners, and dependent children of LEOFF members killed in the course of employment are entitled to reimbursement of medical and Medicare Part A and Part B premiums, including coverage for premiums paid while a line-of-duty determination is pending and retroactive reimbursement for eligible premiums paid after June 10, 2010.

Wage Complaint Enforcement Discretion: Senate Bill 6058, sponsored by Sen. Rebecca Saldaña (D-Seattle), aligns and modernizes the Department of Labor and Industries' wage enforcement authority by broadening recoverable "wages" to "amounts," capping administrative recoveries to three years, adding interest and penalties through a clearer administrative order framework, and making complaint investigations discretionary under a publicly documented prioritization process tied to complaint acceptance and clarified tolling of limitation periods.

Wage Recovery Program: House Bill 2479, sponsored by Rep. Mary Fosse (D-Everett), revises wage complaint enforcement by changing the Department of Labor and Industries' obligation from investigating all wage complaints to investigating complaints consistent with a publicly available prioritization process, expanding its authority to initiate and consolidate investigations, increasing and indexing civil penalties for wage violations beginning in 2030, and redirecting collected penalties into a new wage recovery account funded by civil penalties under wage and transportation network company statutes. The bill also creates a wage recovery program that can advance up to 85% of anticipated unpaid wages, capped at $2,500 per employee, to qualifying low-wage workers beginning the later of July 1, 2028, or when the wage recovery account reaches $130,000, and requires a long-term program and fiscal review by the Joint Legislative Audit and Review Committee; the bill repeals the existing statute addressing mandatory civil penalties for repeat willful violators and, under a new penalty framework, narrows penalty waivers while directing the Department to adopt a penalty matrix with enhanced penalties for repeat willful and other repeat violators.

Expanding Public Sector Employment Eligibility: Senate Bill 5068, sponsored by Sen. John Lovick (D-44th LD), seeks to expand eligibility for certain public safety and prosecutorial positions in Washington state to all individuals legally authorized to work in the United States under federal law. The bill revises several sections of state law to ensure that roles in prosecuting attorneys' offices and corrections officer positions in state correctional facilities and local jails are accessible to a broader pool of candidates, provided they meet federal work authorization requirements, while preserving existing citizenship, lawful permanent residence, or Deferred Action for Childhood Arrivals standards for peace officer positions. It maintains existing qualifications, such as language proficiency and suitability for specific roles, while requiring compliance with federal regulations, including verification of work authorization, and specifies that these standards must be applied consistently with federal law and may not be used to bypass federal employment verification requirements; it also clarifies that certain weapons prohibitions based solely on immigration status cannot, by themselves, be used to deny or revoke certification where federal law would otherwise allow lawful possession in an official capacity. The bill applies its new work-authorization requirements retroactively to individuals employed on and after the act's effective date and takes effect immediately upon enactment as an emergency measure.

PFML Premium Rate Methodology: Senate Bill 5292, sponsored by Sen. Steve Conway (D-Tacoma), replaces the current formula-based approach to calculating Paid Family and Medical Leave (PFML) premiums with actuarially determined rates aimed at ensuring long-term solvency and establishing a four-month reserve by the end of 2030, without changing the existing statutory cap of 1.2% on the total premium rate and with the changes taking effect January 1, 2028.

Retirement Benefits Adjustment: Senate Bill 5862, sponsored by Sen. Perry Dozier (R-16th LD), provides a one-time 3% cost-of-living increase, capped at $110 per month, to beneficiaries of Teachers' Retirement System Plan 1 and Public Employees' Retirement System Plan 1 who are receiving a monthly benefit on July 1, 2025, with the act taking effect July 1, 2026 and the increase effective that same date.

Unemployment Reporting Amendments: Senate Bill 5874, sponsored by Sen. Drew MacEwen (R-35th LD), modernizes unemployment insurance tax and wage reporting penalty provisions by standardizing how monetary amounts and percentages are expressed in statute and expanding the Employment Security Department commissioner's authority to waive penalties for minor or insignificant reporting errors, including inadvertent errors caused by software failures to correctly produce required job classification information. The bill clarifies that employers are subject to penalties for missing standard occupational classification or job title data only when they knowingly fail to report that information.

Layoff Notice Requirements and Tribal Exemption: Senate Bill 6106, sponsored by Sen. Annette Cleveland (D-Vancouver), exempts Indian tribes from state layoff-notice requirements by excluding them from the definition of "employer" under the Securing Timely Notification and Benefits for Laid-Off Employees Act, and creates a new public records exemption shielding employee names and addresses submitted to the Employment Security Department for layoff notifications from disclosure. The bill also clarifies that written layoff notices must be provided to both the Employment Security Department and the affected employees or, if applicable, their bargaining representative, and that the names and addresses of employees in a mass layoff or business closure notice are required only in notices sent to the department and, if applicable, the employees' bargaining representative.

Land Use/Permitting

Factory Built Housing Standards Modernization: House Bill 2151, sponsored by Rep. Deb Manjarrez (R-Wapato), aligns factory built housing and commercial structure rules with updated international building, mechanical, and plumbing codes, clarifies approval and oversight of nongovernmental qualified inspection agencies, and exempts certain utility-owned prefabricated energy and electrical enclosures from state approval when tightly controlled by the utility and not used for occupancy.

Scissor Stair Code Study: Substitute House Bill 2228, sponsored by Rep. Janice Zahn (D-Mercer Island), temporarily directs the State Building Code Council to convene a technical advisory group to recommend 2027 code changes allowing scissor stairs in multi-unit, primarily permanent residential occupancies.

Permitting of STEP (Shelter, Transitional Housing, Emergency Housing, and Permanent Supportive Housing): House Bill 2266, sponsored by Rep. Strom Peterson (D-Edmonds), standardizes statewide zoning and permitting rules to require most cities and counties planning under the Growth Management Act to allow transitional and permanent supportive housing in any urban growth area zones where residential dwelling units or hotels are allowed, and to allow indoor emergency shelters and indoor emergency housing in any urban growth area zones where hotels are allowed, while limiting local development, operating, and permitting standards for these uses to those that are no more restrictive than those applied to comparable lodging or residential development in the same zone. It also allows cities to impose additional operational requirements when a jurisdiction contributes general fund dollars or public land to a project.

Residential Required to Be Allowed in Commercial Zones: Senate Bill 6026, sponsored by Sen. Emily Alvarado (D-West Seattle), is Governor-request legislation that requires jurisdictions with a population of 30,000 or more that plan under the Growth Management Act, and counties that plan under the Act and are not rural counties, to allow residential uses in most commercial and mixed-use zones and limits a city or county's ability to require ground-floor commercial. Under the latest version, a jurisdiction generally cannot impose ground-floor commercial or mixed-use requirements in more than 40% of the total area zoned for commercial or mixed use (with specified exceptions, including industrial areas, certain historic and Main Street areas, business improvement areas, and additional allowances in station areas and higher-height zones) and may not impose such requirements on publicly subsidized affordable housing projects; covered cities and counties must also provide an administrative process for applicants to seek reductions or waivers of ground-floor commercial or retail requirements, while grandfathering any jurisdiction that has a process already in place. Local governments have 18 months after the bill's effective date to adopt required ordinances and, if they do not, the state standards automatically preempt conflicting local regulations; they are not obligated to update growth and development assumptions until their first comprehensive plan update after January 1, 2031.

Sound Transit Permitting Streamlining: Senate Bill 6309, sponsored by Sen. Marko Liias (D-Lynnwood), makes changes to local permitting, land use, and subdivision requirements for regional transit authorities, including Sound Transit, to expedite project delivery and reduce project costs. The bills allow earlier permit applications and exemptions for partial parcel acquisitions needed for transit facilities. The bills also clarify that local governments must accept land use, construction, or technical permit applications from a regional transit authority for projects on property the authority does not yet own, while requiring the authority to independently secure necessary property rights or permissions before proceeding with permitted work.

Elevator Safety Standards: Senate Bill 5156, sponsored by Sen. Jesse Salomon (D-32nd LD), directs the State Building Code Council to adopt standards in the 2027 technical codes that will allow cities and counties to permit smaller passenger elevators in small apartment buildings, defined as buildings with up to six stories and no more than 24 units. The bill requires the State Building Code Council to adopt new rules ensuring that all passenger elevators in these buildings are minimally sized to meet federal accessibility requirements, while convening an expert technical advisory group to review hoistway opening protection and two-way visual emergency communication requirements and evaluate elevator safety and cost standards for small apartment buildings and to align state policy with national and international model code and competitiveness efforts.

Kit Home Building Codes: Senate Bill 5552, sponsored by Sen. Jeff Wilson (R-19th LD), establishes a new category of building codes for "kit homes" to promote affordable introductory housing in Washington State. The bill defines kit homes as prefabricated residential structures of 800 square feet or smaller, comprised of prefabricated walls, floors, and roofs that are assembled on-site, and directs the State Building Code Council to perform rulemaking on the state building codes applicable to kit homes and to update those provisions over time, with rulemaking to be completed no later than March 31, 2027.

Miscellaneous

Derelict Vessel Management: House Bill 2199, sponsored by Rep. Adison Richards (D-Gig Harbor), amends procedures for managing and disposing of derelict and abandoned vessels by updating and expanding the definition of a derelict vessel, including allowing a vessel to be classified as derelict if it has been in violation of state registration requirements for at least two full annual registration periods, and by removing ownership status and owner control as conditions for classifying a vessel as derelict.

Statewide Food Security Strategy: House Bill 2238, sponsored by Rep. Kristine Reeves (D-Federal Way), modifies the Department of Agriculture's responsibilities to monitor food system performance, coordinate statewide food security efforts, and lead a time-limited, multiagency planning effort to end hunger, reduce diet-related health disparities, and improve agricultural viability and supply chain resilience through 2028. The department must submit the finalized statewide food security strategy to the appropriate legislative committees by December 1, 2027, and, beginning June 30, 2030, must report to the Legislature at least once every four years on the competitiveness of Washington's agricultural regulatory landscape, including metrics that monitor and quantify regulatory costs imposed by the state on fuel, packaging, and labor.

Restrictive Real Estate Agreements: House Bill 2294, sponsored by Rep. Darya Farivar (D-Seattle), prohibits most new private real estate agreements that restrict otherwise-allowed use of property for grocery stores or pharmacies, declares such restrictions void as against public policy, and treats entering into or maintaining such agreements as unlawful practices. The bill provides limited exceptions for preexisting agreements, certain relocation arrangements within specified distance and time limits that may be extended by local governments for good cause, and specified retail center covenants that lose enforceability if the use is discontinued beyond a set period, while authorizing enforcement by local governments and the Attorney General and requiring parties entering covered agreements to provide notice to the Attorney General and the relevant local government within ten days.

Commercial Truck Safety and Education Council: House Bill 2410, sponsored by Rep. Jake Fey (D-Tacoma), creates the Washington State Commercial Truck Safety and Education Council within the Washington Traffic Safety Commission to address rising large-truck collisions and support coordinated public-private safety, training, and education initiatives, funded in part by increasing the commercial vehicle safety enforcement fee from $16 to $32 and directing a share of the revenue to a new commercial truck safety and education account overseen by the council.

Behavioral Health Training in the Trades: House Bill 2492, sponsored by Rep. Greg Nance (D-Bainbridge Island), adds optional behavioral health and wellness content to existing continuing education requirements for plumbers and electricians and creates a mandatory behavioral health and wellness training component in all state-approved building and construction apprenticeships.

Community Reinvestment Governance and Planning: House Bill 2523, sponsored by Rep. Kristine Reeves (D-Federal Way), revises Washington's community reinvestment framework to add long-term planning, outcome reporting, and independent evaluation for funding targeted to communities disproportionately harmed by past drug laws.

Alien Terminology Replacement: House Bill 2632, sponsored by Rep. My-Linh Thai (D-Bellevue), standardizes state law by defining "noncitizen," replacing existing references to "alien" and related terms across multiple statutory titles without changing eligibility rules or program structures, and authorizing expedited rulemaking to implement those technical language updates. The bill also directs that, beginning July 1, 2026, new state and local enactments use "noncitizen" or another context-appropriate term instead of "alien," unless federal law or funding conditions require the term "alien."

Rural County Eligibility Expansion: Senate Bill 6149, sponsored by Sen. Jeff Wilson (R-Longview), broadens the definition of "rural county" used for Community Economic Revitalization Board programs and the rural county public facilities sales and use tax by allowing eligibility for counties that either have a population density below 100 persons per square mile, have a population density of 100 persons per square mile or greater but no city larger than 45,000 people, or are smaller than 225 square miles.

Procurement

Small Works Roster Expansion: House Bill 2420, sponsored by Rep. Janice Zahn (D-Bellevue), incrementally raises the maximum contract amount eligible for small works roster procurement, allowing the limit to increase from $350,000 to $650,000 over a phased period while clarifying that the thresholds are based on estimated cost not including sales tax and retaining existing documentation, direct contracting, and public access provisions.

Public Works Independent Contractors: Senate Bill 6302, sponsored by Sen. Steve Conway (D-Tacoma), creates a mandatory Department of Labor & Industries misclassification investigation process for certain finishing-trade independent contractors on public works projects by requiring the department to investigate potential misclassification when a contractor or subcontractor uses three or more independent contractors to perform the same type of covered finishing work—defined as drywall, flooring, tiling, painting, and glazier and glasswork—simultaneously on a public works project, upon referral from specified public entities, contractors or subcontractors on the project, labor organizations representing covered workers, or affected individuals performing covered finishing work, and, if misclassification is found, to apply all applicable prevailing wage requirements, liabilities, and penalties and refer the matter for appropriate industrial insurance and unemployment insurance actions.

Public Safety (Police and Corrections)

AI-Generated Child Sexual Exploitation Depictions: Senate Bill 5105, sponsored by Senator Tina Orwall (D-Des Moines), expands existing child sexual exploitation crimes to clearly cover AI-generated and other digitally fabricated depictions of minors in sexually explicit conduct, including images where the minor is not identifiable but the material is obscene.

Transgender Jail Searches: House Bill 1604, sponsored by Rep. Osman Salahuddin (D-48th LD), establishes specific statewide standards and procedures for searches and physical examinations of transgender, intersex, and gender nonconforming individuals in local jails and aligns related strip search laws with these requirements. Local jails are required to develop policies that comply with the federal Prison Rape Elimination Act (PREA) and include training for staff to ensure searches are conducted respectfully and in the least intrusive manner consistent with security needs. Key provisions include prohibiting searches solely to determine genital status, allowing individuals to choose the gender of the staff conducting strip searches or have them conducted by a medical professional, clarifying that lack of available trained female staff is not an exigent circumstance justifying cross-gender searches, and ensuring privacy protections during searches and daily activities such as showering, toileting, and changing clothes.

Attorney General Investigators: House Bill 2156, sponsored by Rep. Edwin Obras (D-33rd LD), authorizes specially trained Attorney General's Office investigators who handle economic and financial crime investigations to be designated as limited authority Washington peace officers for narrowly defined economic and financial crime investigations, while explicitly denying them detention, arrest, or firearms authority, limiting their search warrant authority to electronic service on businesses after judicial approval, prohibiting them from physically serving search warrants for business records, and preserving existing law enforcement powers.

Attorney General Civil Investigative Demands: Senate Bill 5925, sponsored by Sen. Drew Hansen (D-Bainbridge Island), authorizes the Attorney General to issue civil investigative demands for specified civil rights, labor, and law enforcement oversight investigations, with confidentiality protections, judicial review, and limits to civil, noncriminal matters. The bill further narrows use by excluding federal agencies and the Attorney General's criminal justice division, and adds a four-year legislative reporting requirement on how the civil investigative demand authority is used.

False Identification as Peace Officers: House Bill 2165, sponsored by Rep. Edwin Obras (D-SeaTac), is Governor-request legislation that creates a new gross misdemeanor offense for falsely identifying as a peace officer and removes peace officer impersonation from the existing criminal impersonation statute.

Law Enforcement Facial Covering Restrictions: Senate Bill 5855, sponsored by Sen. Javier Valdez (D-Seattle), prohibits law enforcement officers from wearing facial coverings while interacting with the public in the performance of their duties, while allowing limited exceptions for officers working as undercover operatives or as part of a special weapons and tactics (SWAT) team, and establishes a civil cause of action for individuals detained in violation of these requirements. The bill also clarifies that personal protective equipment required or authorized under federal or state workplace safety rules, helmets used on certain vehicles, and religious head or face coverings are not subject to the ban.

Digital Firearm Manufacturing Restrictions: House Bill 2320, sponsored by Rep. Osman Salahuddin (D-Redmond), expands Washington's regulation of ghost guns by defining digital firearm manufacturing code and three-dimensional printers, expressly covering 3D printing and CNC milling within existing prohibitions on manufacturing untraceable and certain prohibited firearms and components. The bill further restricts who may possess, distribute, or use firearm-related digital design files and equipment.

Blue Envelope Program: House Bill 2323, sponsored by Rep. Carolyn Eslick (R-Sultan), creates a voluntary "blue envelope program" to support safer traffic-stop interactions by providing drivers and passengers with disabilities or conditions that may affect interactions, including neurodiverse individuals, with a distinct envelope containing key documents, safety tips, and communication guidance for law enforcement. The program requires the Department of Licensing, in collaboration with stakeholders, to make blue envelopes available free of charge at driver licensing offices and to maintain program information on an existing website.

Automated License Plate Privacy Regulations: Senate Bill 6002, sponsored by Sen. Yasmin Trudeau (D-Tacoma), establishes comprehensive limits on when agencies may use automated license plate reader (ALPR) systems, including exempting ALPR data from public records disclosure and tightly limiting authorized uses, retention, sharing, and enforcement to protect driver privacy. The bill clarifies that existing automated traffic safety, school bus, and toll camera systems that do not interface with ALPR beyond their current statutory purposes are excluded from the new rules, restricts agencies from using ALPR systems except in specified circumstances such as investigations involving stolen vehicles, missing or endangered persons, persons with felony or gross misdemeanor warrants, vehicles related to felonies or gross misdemeanors, commercial vehicle enforcement, and parking enforcement, and generally limits data retention to 21 days except in certain circumstances. The bill also prohibits specified surveillance practices and collection in sensitive locations, requires agencies to register ALPR systems with the Attorney General, adopt policies consistent with model policies to be developed by 2027, conduct annual audits, and provide public reporting and oversight, with violations subject to gross misdemeanor penalties and civil remedies, including treatment as unfair trade practices under the consumer protection act and inadmissibility of unlawfully obtained ALPR data in court.

Police Use of Force Investigations: House Bill 2508, sponsored by Rep. Debra Entenman (D-Kent), broadens and clarifies the Office of Independent Investigations' jurisdiction over police use-of-force deaths and in-custody death cases, strengthens its authority over scene control and access to records (including certain fire and ambulance records, subject to consent or court order where they contain health care information), and narrows certain definitional references. The bill makes Office of Independent Investigations investigative records confidential until referral to a prosecutor for a charging decision and limits disclosure of certain non-investigative records to protect personal privacy through new exemptions under the Public Records Act.

Wrongful Conviction Compensation Expansion: Senate Bill 5520, sponsored by Sen. Tina Orwall (D-Des Moines), broadens eligibility for wrongful conviction claims by tying compensation to an "actually innocent" standard based on a preponderance of the evidence, clarifies key definitions including "actually innocent," "significant new exculpatory information," and "wrongly convicted," restructures filing and merits standards, increases and clarifies compensation and attorney fee provisions by setting attorneys' fees at 10% of a claimant's confinement- and community-custody-related monetary damages and capping fees and expenses at $75,000, extends the statute of limitations and notice-related filing windows, authorizes structured settlements, and expands educational and reentry benefits and tuition waivers for exonerated individuals and their families.

DUI Toxicology Testing: Senate Bill 5880, sponsored by Sen. Keith Wagoner (R-39th LD), expands who may conduct DUI toxicology testing by authorizing ISO/IEC 17025-accredited forensic toxicology laboratories to perform blood analyses as an alternative to individuals permitted by the state toxicologist, while retaining the toxicologist's authority to approve testing methods and issue individual permits; the bill also clarifies that local governments may, but have no duty to, accept private donations to fund such analysis and includes delayed transition language with one section expiring June 30, 2027, and a successor section taking effect on that date to align with future statutory updates, and requires cities and counties that choose to use private laboratories for analysis of evidence previously submitted to the state toxicological laboratory to reimburse the Washington State Patrol for the cost of returning the evidence and prohibits the laboratory from releasing evidence unless a contract governing the release is in place, and further requires cities and counties that use private laboratories for blood analysis to contract with those laboratories in advance and mandates that such contracts include provisions for free, timely defense interviews with laboratory personnel, which may be conducted remotely, and acceptance by the laboratory of electronic service of pleadings, discovery, and subpoenas.

Law Enforcement Qualifications: Senate Bill 5974, sponsored by Sen. John Lovick (D-Mill Creek), modernizes eligibility, certification, background investigation, and accountability standards for sheriffs, police chiefs, town marshals, and sheriff candidates, and regulates the use of volunteers, youth cadets, specially commissioned officers, and deputized process servers by law enforcement agencies in cities, code cities, and counties. The bill restores the right of officers, their attorneys, or representatives to review and copy confidential records held by the Criminal Justice Training Commission, updates eligibility and background check rules for sheriffs, police chiefs, and marshals by clarifying that non-vacated gross misdemeanors can disqualify candidates while vacated gross misdemeanors do not, adding experience and grandfathering provisions, requiring state and federal criminal history checks, and authorizing the Washington State Patrol to treat sheriff candidates as peace officer certification applicants to accelerate fingerprint-based eligibility verification processes. The changes specify that decertification or failure to meet eligibility requirements creates a vacancy in office for sheriffs, police chiefs, and marshals, adjust volunteer firearm restrictions for qualified retired officers, permit fixed cameras in facilities, allow limited supervisor data sharing, clarify that specially commissioned peace officers are not subject to volunteer limits and that deputized process servers may only perform non-law-enforcement-authority tasks unless they are certified peace officers, require sheriff, police chief, and marshal candidates to undergo a pre-appointment background investigation equivalent to peace officer certification standards, with an attestation of eligibility and suitability submitted to the Commission before appointment, and prohibit volunteers and youth cadets who are not fully trained and certified peace officers from exercising core law enforcement powers, including pursuits, arrests, use of force, carrying weapons, certain surveillance activities beyond fixed internal cameras, use of tracking or apprehension dogs, and immigration enforcement.

Transportation and Traffic Safety

Transit Lane Access: House Bill 1980, sponsored by Rep. Janice Zahn (D-41st LD), allows private employer transportation services to use certain business access and transit-only lanes in counties with populations over 2,000,000 under a fee-for-use, two-year pilot permit system initiated before 2035, contingent on public transportation provider approval and performance standards to protect transit operations. The bill requires public transportation providers, in consultation with local authorities and representatives of one or more labor organizations representing transit employees, to establish operational performance measures for affected lanes, jointly prepare annual performance reports with labor input, and revoke permits if those standards are not met, with permit revenues first covering local administrative costs and any remaining revenues supplementing rather than replacing existing funding for transit-only lane maintenance and improvements.

Crash Prevention Zones: Senate Bill 6066, sponsored by Sen. Nikki Torres (R-Pasco), authorizes and defines “crash prevention zones,” adjusts related enforcement, and links fine revenue to targeted safety improvements. The bill allows the creation of crash prevention zones on specified high-collision segments of US 395 and SR 12 prior to January 1, 2029, and beginning in 2029 authorizes counties, cities, towns, and the Washington State Department of Transportation to designate additional zones on high-collision road segments, require public hearings and engineering and traffic investigations to identify safety improvements (including potential speed limit changes), and direct increased law enforcement presence within the zones. Monetary penalties for personal electronic device violations and automated camera-based speed violations committed within crash prevention zones may be doubled, with resulting revenues dedicated to zone-related engineering and traffic investigations, signage, and safety improvements, including deposits to local crash prevention zone accounts and, for certain state-established zones, the highway safety fund. The bill also authorizes the use of automated traffic safety cameras for speed enforcement in crash prevention zones and requires that any remaining camera revenue after program costs be spent only on safety purposes within the zone.

Traffic Fatality Review Confidentiality and Data Access: House Bill 2192, sponsored by Representative Sam Low (R-Lake Stevens), expands the Washington Traffic Safety Commission's role as a public health authority by authorizing confidential traffic fatality review committees, protecting related crash and health data from public disclosure, and enabling broader access to law enforcement, licensing, and medical records to analyze serious and fatal collisions and recommend safety improvements, while shifting detailed review and confidentiality functions from the Cooper Jones Active Transportation Safety Council to the commission.

Electric Motorcycle Regulations: Senate Bill 6110, sponsored by Sen. Sharon Shewmake (D-Bellingham), clarifies that high-speed or easily modified electric bicycles are treated as motorcycles rather than electric-assisted bicycles, and establishes a temporary work group process to develop a new statutory framework for electric motorcycles, including enforcement tools and potential penalties related to youth operation and deceptive marketing or tampering, while also directing the work group to assess the regulatory landscape for other micromobility devices such as electric unicycles, scooters, and tricycles. An emergency clause allows the work group section of the bill to take effect immediately, with an interim report due by December 15, 2026, and a final recommendation, including any draft legislation, due by October 31, 2027.

Utilities

Industrial Symbiosis Incentives: House Bill 1302, sponsored by Rep. Julio Cortes (D-38th LD), allows local utilities to waive or delay utility connection charges for organizations practicing industrial symbiosis, defined as collaboration among businesses or organizations to exchange materials, energy, water, and byproducts to optimize resource use and achieve measurable reductions in resource consumption or greenhouse gas emissions while supporting sustainable development and long-term community benefits. The bill requires that waived charges be covered by general funds or other revenue sources and mandates repayment if the property no longer qualifies.

Clean Energy Compliance Expansion: Senate Bill 5982, sponsored by Sen. Victoria Hunt (D-

Issaquah), broadens the Clean Energy Transformation Act to cover ports and nonresidential electricity consumers that self-generate or procure power outside traditional utilities, requiring affected market customers to report their retail electric load and comply with clean energy standards enforced by the Utilities and Transportation Commission. Senate Bill 5982 additionally directs the Department of Commerce to tailor reporting for port districts and phases in enhanced contract disclosure requirements for consumer-owned utilities starting in 2026, with later timelines for port districts.

Energy Reporting Requirements: House Bill 2575, sponsored by Rep. Zach Hall (D-Issaquah), reduces utility and energy strategy reporting requirements by shifting qualifying utilities' renewable portfolio compliance reports to the Department of Commerce from annual to biennial, lengthening state energy strategy reporting intervals, and eliminating multiple heat-related utility disconnection and energy planning-related reporting obligations while retaining underlying customer protections and disconnection rules, and adds nonbinding encouragement for utilities to use savings from the reduced reporting requirements to support low-income energy assistance programs.

Fish Barrier Coordination: Senate Bill 5690, sponsored by Sen. Drew MacEwen (R-35th LD), directs the Washington State Department of Transportation (WSDOT) to adopt and maintain policies to proactively coordinate with utility owners and to maximize federal funding for utility relocation in state highway fish barrier removal projects. The bill requires WSDOT to provide utility owners with information about planned state highway fish barrier removal projects, with at least one year of advance notice where feasible, and to adopt agency procedures to ensure this coordination consistent with applicable federal rules and regulations. Additionally, WSDOT is directed to adopt policies aimed at maximizing the amount of federal funding available for fish barrier removal projects where such funding can also be used for utility relocation costs, whether incurred by WSDOT or by utilities, and is encouraged to deposit eligible federal awards into the multimodal transportation account and report recommendations to the Legislature and the Office of Financial Management on changes that would improve access to federal funding.

Utility Procurement Streamlining: Senate Bill 6076, sponsored by Sen. Keith Goehner (R-Dryden), streamlines procurement processes for public utility districts and other consumer-owned utilities to more quickly procure and construct clean energy generation, storage, transmission, and distribution projects through 2045. The bill raises competitive bidding thresholds for specified clean energy projects to $500,000, authorizes an intermediate quotation-based procurement pathway for certain mid-range purchases, clarifies that bids must be awarded to the lowest responsible and responsive bidder, increases from 15% to 25% the maximum amount by which an awarded contract may exceed the estimated cost, and adds temporary exemptions allowing a municipality's governing body to waive competitive bidding for proprietary or specialized technologies needed to meet reliability standards or for projects that are common facilities.

On-site Sewage Inspections: Senate Bill 6291, sponsored by Sen. Liz Lovelett (D-Anacortes), extends from two to four years the period during which noncertified individuals may review designs and conduct inspections of on-site wastewater treatment systems under the supervision of a certified individual, while leaving all other qualification and oversight requirements unchanged.

City of Gig Harbor
City Council Agenda Bill

Meeting Date: March 26, 2026

SUBJECT: Hunt Street Property Update

SUBMITTED BY: Housing, Health, and Human Services Program Manager, Shea Smiley, MSW
DEPARTMENT: Administration **PHONE:** (253) 530-7070

SUGGESTED MOTION:
Staff recommends not entering into the proposed agreement and instead allow for the existing agreement of the Hunt Street property to sunset.

BACKGROUND INFORMATION:
The following provides a summary of the ownership history, prior agreements, and recent developments related to the Hunt Street property (Parcel ID #0221083054 and #0221082032). This timeline is intended to provide City Council with relevant context regarding the property's original conveyance to the City for public purposes, subsequent deed agreements with FISH Food Bank, and recent discussions concerning the potential return of the property to the City for affordable housing development. Key communications and draft legal provisions received to date, including notable conditions and evolving terms are also included.

- 2018: Parcel ID # 0221083054 and 0221082032 on Hunt Street are deeded to the City from Pierce Transit for any public purpose.
- December 13, 2018: Hunt Street Property is deeded to FISH foodbank for a period of 5 years to build a storage facility to accommodate the needs of the foodbank.
- July 2023: The deed was extended an additional five years (set to expire in 2028) to allow additional time for the foodbank to build the storage unit.
- January 2026: During the Point in Time Count, Ron Coen, Board President of FISH Foodbank approached the Mayor and H3, Shea Smiley about the foodbank being interested in deeding the Hunt Street Property back to the City for the purposes of affordable housing.
- February 2026: Shea Smiley, H3 let Mr. Coen know the city would need a letter of interest from their board before city resources could be utilized in acquiring the property for affordable housing. Mr. Coen stated his board would be meeting and would put it to a vote.
- February 2026: Mr. Coen confirms the FISH board voted in favor of "giving" the property to the city for the purposes of affordable housing being built and that their

legal representation would have a letter of interest prepared by the end of the month.

- March 2026: H3 followed up to see if any additional information is needed. Mr. Coen stated their attorney was still working on the letter, and they are still proceeding with "giving" the property to the city for the purposes of affordable housing.
- March 13, 2026: Mr. Coen sent FISH Food Bank's proposed Deed to City and Second Amendment to Deed Covenants to H3 program manager, Shea Smiley. The documents include the following:
  - No mention of affordable housing.
  - FISH Food Bank has investigated the feasibility of building a food bank on the Property and determined that, even with the Extended Building Deadline, it is not financially or physically feasible to build a food bank on the Property.
  - In the event a building(s) is ever constructed on the Property, the city would be required to lease at least 3,000 square feet of it to FISH Food Bank for 35 years or longer at nominal annual base rent, for use as a fully enclosed storage facility that FISH Food Bank can use for its mission purpose.

Staff remains committed to advancing affordable housing and continues to dedicate resources toward viable development opportunities. The Hunt Street property has been previously identified by SSHAP3 as a strong candidate for affordable housing.

While FISH Food Bank expressed interest in returning the property to the City for affordable housing purposes, draft documents provided on March 13, 2026 introduced a condition not previously discussed with H3 staff, including a requirement that any future development on the property must lease a minimum of 3,000 square feet to FISH Food Bank for a period of 35 years or longer at a nominal annual base rent. Staff have concerns that this requirement may limit developer interest and potentially reduce the number of units that could be built.

Given these constraints, staff recommends not entering into the proposed agreement at this time and instead recommends allowing the existing agreement to sunset, to preserve development flexibility that aligns with Council's strategic priorities of affordable housing.

FISCAL CONSIDERATION: This section details the financial issues involved in the issue before Council, if applicable. It can include only the information contained in the table below or it can include additional financial information.

Expenditure Required: $	Amount Budgeted: $	Appropriation Required: $

ATTACHMENTS:

1. FISH Food Bank Deed to City

2. FISH Food Bank Second Amendment to Deed Covenants
3. FISH Foodbank Amendment
4. QuitclaimDeed_201902060515_6Feb2019

STRATEGIC PLAN PRIORITY: Provide a safe, healthy, and inclusive community

AFTER RECORDING MAIL TO:
Ron Coen
Gig Harbor Peninsula Fish
PO Box 154
Gig Harbor, WA 98335

QUIT CLAIM DEED – CITY OF GIG HARBOR

Grantor: GIG HARBOR PENINSULA FISH
Grantees: CITY OF GIG HARBOR
Legal Description (abbreviated): Ptn SW/4 SW/4 SW/4 S8-T21N-R2E
Additional legals on Exhibit A of this Instrument.
Assessor's Tax Parcel ID#: 0221083054 and 0221082032
Reference Nos. of Related Documents: 201812130081, 201902060515, 202308020153 & ______________________________.

RECITALS

A. On December 13, 2018, the City of Gig Harbor ("City") conveyed to Gig Harbor Peninsula FISH ("FISH Food Bank") (together the "Parties") property legally described on Exhibit A (the "Property"). The Quit Claim Deed was recorded on December 13, 2018 under Pierce County Auditor's File Number 201812130081, and re-recorded on February 6, 2019 under Pierce County Auditor's File Number 201902060515. On July 25, 2023, the Deed was amended by that certain Amendment ("First Amendment") to Deed Covenants, recorded under Pierce County Auditor's File Number 202308020153 and that certain Second Amendment to Deed Covenants, recorded simultaneously herewith under Pierce County Auditor's File No. ___________________________ (collectively, the "Deed").

B. The conveyance was subject to certain terms and conditions as stated on the Deed.

C. In the First Amendment, the City and FISH Food Bank amended provision 4 of the Deed by extending the timeframe referenced in provision 4 by an additional five (5) years to build a food bank on the Property (the "Extended Building Deadline").

D. FISH Food Bank has investigated the feasibility of building a food bank on the Property and determined that, even with the Extended Building Deadline, it is not financially or physically feasible to build a food bank on the Property. In light of the limitations of the Property, FISH Food Bank has elected to deed the Property back to the City, subject to the Deed limitations, reservations, restrictions, and covenants.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged and received, Grantor, Gig Harbor Peninsula FISH ("FISH Food Bank"), for and in consideration of the mutual benefits to be derived herein and subject to the limitations, reservations, restrictions, and covenants set forth in the Deed, hereby transfers, conveys and quitclaims to the Grantee, City of Gig Harbor, a Washington municipal corporation ("City"), all right, title and interest the Grantor has in the real properties located at 3607 Hunt Street NW, Gig Harbor, Washington (Pierce County TPN 0221083054) and 3611 Hunt Street NW, Gig Harbor, Washington (Pierce County TPN 0221083032), together with any after-acquired title of Grantor (collectively, the "Properties"). The Properties are legally described on Exhibit A attached hereto and incorporated hereinafter.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this _______ day of March, 2026.

GIG HARBOR PENINSULA FISH

By: ________________________________
Its: ________________________________

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the ________________of the Gig Harbor Peninsula FISH, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of ___________________, 2026.

____
____
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at _______________.
My appointment expires: _____________________.

Acknowledged by:

CITY OF GIG HARBOR

By: ________________________________
Its: ________________________________

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the ________________of the City of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of ___________________, 2026.

____
____
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at _______________.
My appointment expires: _____________________.

Exhibit A:

EXHIBIT A
Legal Description

Tax Parcel No. 0221083054:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reservation; running thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet; thence West parallel to the South lien of said Section 209.8 feet; thence South 209.8 feet to a point 209.8 feet due West of the point of beginning; thence East to the point of beginning.

EXCEPT the West 100 feet thereof.

Also EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14

Also EXCEPT M.B. Hunt County Road.

Together with all that portion of Lot 10, Abandoned Military Reservation in Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, lying Westerly of Primary State Highway No. 14.

EXCEPT M.B. Hunt County Road.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Tax Parcel No. 0221083032:

The West 100 feet of the following described property:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., being the Southeast corner of Lot 9 of Abandoned Military Reservation;
Thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet;
Thence West parallel with the South line of said Section 209.8 feet;
Thence South 209.8 feet to a point 209.8 feet due West of the point of beginning;
Thence East to the point of beginning, in Pierce County, Washington.

EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14.

ALSO EXCEPT M.B. Hunt County Road.

Situate in the County of Pierce, State of Washington.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Subject also to those certain limitations, reservations, restrictions, and covenants set forth in Pierce County Auditor's File Nos. 201812130081, 201902060515, 202308020153 & ________________________.

AFTER RECORDING MAIL TO:

Ron Coen
Gig Harbor Peninsula Fish
PO Box 154
Gig Harbor, WA 98335

SECOND AMENDMENT TO DEED COVENANTS

Grantor: CITY OF GIG HARBOR
Grantees: GIG HARBOR PENINSULA FISH
Legal Description (abbreviated): Ptn SW/4 SW/4 SW/4 S8-T21N-R2E
Additional legals on Exhibit A of this Instrument.
Assessor's Tax Parcel ID#: 0221083054 and 0221082032
Reference Nos. of Related Documents: 201812130081, 201902060515 & 202308020153.

RECITAL

A. On December 13, 2018, the City of Gig Harbor ("City") conveyed to Gig Harbor Peninsula FISH ("FISH Food Bank")(together the "Parties") property legally described on Exhibit A (the "Property"). The Quit Claim Deed was recorded on December 13, 2018 under Pierce County Auditor's File Number 201812130081, and re-recorded on February 6, 2019 under Pierce County Auditor's File Number 201902060515. On July 25, 2023, the Deed was amended by that certain Amendment ("First Amendment") to Deed Covenants, recorded under Pierce County Auditor's File Number 202308020153 (collectively, the "Deed").

B. The conveyance was subject to certain terms and conditions as stated on the Deed.

C. In the First Amendment, the City and FISH Food Bank amended provision 4 of the Deed by extending the timeframe referenced in provision 4 by an additional five (5) years to build a food bank on the Property (the "Extended Building Deadline").

D. FISH Food Bank has investigated the feasibility of building a food bank on the Property and determined that, even with the Extended Building Deadline, it is not financially or physically feasible to build a food bank on the Property. In light of the limitations of the Property, FISH Food Bank has elected to deed the Property back to the City, subject to the Deed limitations, reservations, restrictions and covenants. As consideration for said transfer, the City has agreed that, in the event a building(s) is ever constructed on the Property, the owner will offer to lease at least 3,000 square feet of it to FISH Food Bank for 35 years or longer at nominal annual base rent, for use as a fully enclosed storage facility that FISH Food Bank can use for its mission purpose.

AMENDMENT

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged and received, the following amendment to the Deed is hereby adopted:

1. Revisions.

i. Paragraphs 3 (as amended by the First Amendment) and 4 of the Deed are hereby deleted in their entirety; and,

ii. Paragraph 5 is hereby amended to read: FISH Food Bank shall, where appropriate, acknowledge the City's support of and contribution to the development of a new storage facility upon completion of construction thereof.

iii. The last line of the last sentence of Paragraph 6 of the Deed is hereby amended to read: "…the lease of the storage facility portion of the Property shall automatically terminate, and FISH Food Bank will have 30 days' from the date of the City Council's vote, to surrender the Property thereafter."

2. New Covenant. In the event a building(s) is ever constructed on the Property, the owner will offer to lease at least 3,000 square feet of it to FISH Food Bank for 35 years or longer at nominal annual base rent, for use as a fully enclosed storage facility that FISH Food Bank can use for its mission purpose. Upon mutual execution of such a lease, either party may record a memorandum of the lease. This covenant will terminate automatically on March 31, 2036 if no building has yet been constructed on the Property by that date.

3. Covenant Running with Land; Binding Effect. This Amendment shall be deemed an amendment to the terms and conditions stated in the Deed and covenants running with the land, which shall be binding on the Parties, their successors and assigns, and all subsequent Owners and lessees of the Property, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns.

4. Severability. If any provision of this Amendment or its application to any person or circumstance is held invalid, the remainder of this Amendment, or the application of the provisions to other persons or circumstances shall not be affected.

5. Conflict. In the event a conflict arises between any of the provisions of this Amendment and the Deed, the Amendment shall control and be binding on the parties.

6. Effective Date. This Amendment shall be effective upon recordation in the public records of Pierce County, Washington.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this _______ day of March, 2026.

CITY OF GIG HARBOR

By: ___________________________________
Its: ______________________

GIG HARBOR PENINSULA FISH

By: ___________________________________
Its: ______________________

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the ________________of the City of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of ___________________, 2026.

____
____
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at _______________.
My appointment expires: ____________________.

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the ________________of the Gig Harbor Peninsula FISH, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this _____ day of ___________________, 2026.

____
____
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at _______________.
My appointment expires: ____________________.

EXHIBIT A
Legal Description

Tax Parcel No. 0221083054:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reservation; running thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet; thence West parallel to the South lien of said Section 209.8 feet; thence South 209.8 feet to a point 209.8 feet due West of the point of beginning; thence East to the point of beginning.

EXCEPT the West 100 feet thereof.

Also EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14

Also EXCEPT M.B. Hunt County Road.

Together with all that portion of Lot 10, Abandoned Military Reservation in Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, lying Westerly of Primary State Highway No. 14.

EXCEPT M.B. Hunt County Road.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Tax Parcel No. 0221083032:

The West 100 feet of the following described property:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., being the Southeast corner of Lot 9 of Abandoned Military Reservation;
Thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet;
Thence West parallel with the South line of said Section 209.8 feet;
Thence South 209.8 feet to a point 209.8 feet due West of the point of beginning;
Thence East to the point of beginning, in Pierce County, Washington.

EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14.

ALSO EXCEPT M.B. Hunt County Road.

Situate in the County of Pierce, State of Washington.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Subject also to those certain limitations, reservations, restrictions, and covenants set forth in Pierce County Auditor's File Nos. 201812130081, 201902060515 & 202308020153.

AFTER RECORDING MAIL TO:
City Clerk
City of Gig Harbor
3510 Grandview Street
Gig Harbor WA 98335

AMENDMENT TO DEED COVENANTS

Grantor: CITY OF GIG HARBOR
Grantees: GIG HARBOR PENINSULA FISH
Legal Description (abbreviated): Ptn SW/4 SW/4 SW/4 S8-T21N-R2E
Additional legals on Exhibit A of this Instrument.
Assessor's Tax Parcel ID#: 0221083054 and 0221082032
Reference Nos. of Related Documents: 201812130081 and 201902060515

RECITAL

A. On December 13, 2018, the City of Gig Harbor ("City") conveyed to Gig Harbor Peninsula FISH ("FISH Food Bank")(together the "Parties") property legally described on Exhibit A (the "Property"). The Quit Claim Deed was recorded on December 13, 2018 under Pierce County Auditor's File Number 201812130081, and re-recorded on February 6, 2019 under Pierce County Auditor's File Number 201902060515 (the "Deed").

B. The conveyance was subject to certain terms and conditions as stated on the Deed.

C. The City and FISH Food Bank intend to amend provision 4 of the Deed by extending the timeframe referenced in provision 4 by an additional five years.

AMENDMENT

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged and received, the following amendment to the Deed is hereby adopted:

1. Deed Revised. Section 4 of the Deed is hereby amended to read as written below. No other revisions are made to the Deed and all other provisions remain valid.

   Property Development. FISH Food Bank agrees to develop and construct a new food bank building on the Properties. If after ten (10) years following execution of this Deed, FISH Food Bank has not raised funds necessary for the development and construction of a food bank building or has not submitted its completed application for building permit approval, the Properties shall automatically revert to the City, in whatever condition they exist at that time unless the City Council determines that FISH Food Bank has made substantial

{DPK2829602.DOC;3/00008.900000/ }

steps toward reaching its goal. In that event, FISH Food Bank may be granted, by a majority vote of the City Council, an extension of time within which to secure additional funds or execute any further steps necessary to complete the building project. At any time within that same ten (10) year period, FISH Food Bank may, of its own volition, elect to abandon the food bank building project, in which case it shall give the City written notice to that effect, and the Properties shall thereupon automatically revert to the City, in whatever condition they exist at that time.

2. Covenant Running with Land; Binding Effect. This Amendment shall be deemed an amendment to the terms and conditions stated in the Deed and covenants running with the land, which shall be binding on the Parties, their successors and assigns, and all subsequent Owners and lessees of the Property, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns.

3. Severability. If any provision of this Amendment or its application to any person or circumstance is held invalid, the remainder of this Amendment, or the application of the provisions to other persons or circumstances shall not be affected.

4. Conflict. In the event a conflict arises between any of the provisions of this Amendment and the Deed, the Amendment shall control and be binding on the parties.

5. Effective Date. This Amendment shall be effective upon recordation in the public records of Pierce County, Washington.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this 25th day of July, 2023.

CITY OF GIG HARBOR

By: Brenda
Its: Mayor Pro Tempore

GIG HARBOR PENINSULA FISH

By: Ronald L. Coen
Its: Board President

{DPK2829602.DOC;3/00008.900000/ }

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that Brenda Lykins is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the Mayor Pro Tempore of the City of Gig Harbor, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 24 day of July, 2023.

JOSHUA STECKER NOTARY PUBLIC STATE OF WASHINGTON MY COMM. EXP. 05-16-26 COMM. NO. 171777

Joshua Stecker
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at Gig Harbor.
My appointment expires: 5/16/26.

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that Ronald L. Coen is the person who appeared before me, and said person acknowledged that [he][she] signed this instrument, on oath stated that [he][she] was authorized to execute the instrument and acknowledged it as the Board President of the Gig Harbor Peninsula FISH, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 25th day of July, 2023.

JOSHUA STECKER NOTARY PUBLIC STATE OF WASHINGTON MY COMM. EXP. 05-16-26 COMM. NO. 171777

Joshua Stecker
(Type/Print Name above)
Notary Public in and for the
State of Washington, residing at Gig Harbor.
My appointment expires: 5/16/26.

{DPK2829602.DOC;3/00008.900000/ }

EXHIBIT A
Legal Description

Tax Parcel No. 0221083054:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reservation; running thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet; thence West parallel to the South lien of said Section 209.8 feet; thence South 209.8 feet to a point 209.8 feet due West of the point of beginning; thence East to the point of beginning.

EXCEPT the West 100 feet thereof.

Also EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14

Also EXCEPT M.B. Hunt County Road.

Together with all that portion of Lot 10, Abandoned Military Reservation in Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, lying Westerly of Primary State Highway No. 14.

EXCEPT M.B. Hunt County Road.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Tax Parcel No. 0221083032:

The West 100 feet of the following described property:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., being the Southeast corner of Lot 9 of Abandoned Military Reservation;
Thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet;
Thence West parallel with the South line of said Section 209.8 feet;
Thence South 209.8 feet to a point 209.8 feet due West of the point of beginning;
Thence East to the point of beginning, in Pierce County, Washington.

EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14.

ALSO EXCEPT M.B. Hunt County Road.

Situate in the County of Pierce, State of Washington.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

[redacted]
201812130081 ACLARK1 8 PGS
12/13/2018 08:44:26 AM $106.00
AUDITOR, Pier

201902060515 CPENNYP 9 PGS
02/06/2019 04:14:42 PM $107.00
AUDITOR, Pierce County, WASHINGTON

Return Address:
City Clerk
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Please print legibly or type information.

Document Title(s) (Or transaction contained therein):
1. **QUIT CLAIM DEED – GIG HARBOR PENINSULA FISH**
2. Re-Record of Original Document TO CORRECT LEGAL DESCRIPTION
3.

Grantor(s) (Last name first, then first name and initials):
1. **CITY OF GIG HARBOR**
2.
5. Additional Names on Page ___ of Document.

Grantee(s) (Last name first, then first name and initials):
1. **GIG HARBOR PENINSULA FISH**
2.
Additional Names on Page ___ of Document.

Legal Description (Abbreviated: i.e., lot, block, plat, or section, township, range):

Beginning at the southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reservation; ...

Legal Description is on Page 7 and 8 of Document.

Reference Number(s) (Of documents assigned or released):

Additional Reference numbers on Page __ of Document.

Assessor's Property Tax Parcel/Account Number

02 21083054 and 0221083032

The Auditor/Recorder will rely on the information provided on this cover sheet. The staff will not read the Document to verify the accuracy or completeness of the indexing information provided herein.

12/13/2018 08:44:26 AM ACLARK1 4486549 2 PGS
EXCISE COLLECTED: $0.00 PROC FEE: $5.00
AUDITOR
Pierce County, WASHINGTON TECH FEE: $5.00

02/06/2019 04:14:42 PM CPENNYP 4490341 2 PGS
EXCISE COLLECTED: $0.00 PROC FEE: $5.00
AUDITOR
Pierce County, WASHINGTON TECH FEE: $5.00

AFTER RECORDING MAIL TO:
City Clerk
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Document Title: QUITCLAIM DEED

Grantor: CITY OF GIG HARBOR

Grantee: GIG HARBOR PENINSULA FISH

Tax Parcel Numbers: 022108-3032 and 022108-3054

Abbr. Legal Description: Portion SW1/4 SW1/4 SW1/4 Section 8-21-2

Legal Description is on Page 6 of this Document.

QUITCLAIM DEED

The Grantor, CITY OF GIG HARBOR, a Washington municipal corporation (the "City"), for and in consideration of the mutual benefits to be derived herein and subject to the terms and conditions as set forth below, hereby transfers, conveys, and quitclaims to the Grantee, GIG HARBOR PENINSULA FISH, a Washington public benefit corporation ("FISH Food Bank"), all right, title, and interest the Grantor has in the real properties located at 3607 Hunt Street NW, Gig Harbor, Washington (Tax Parcel No. 0221083054) and 3611 Hunt Street NW, Gig Harbor, Washington (Tax Parcel No. 0221083032), together with all after-acquired title of Grantor (the "Properties"). The Properties are legally described on Exhibit A attached hereto and incorporated hereinafter.

It is the intent of the City and FISH Food Bank that the greater Gig Harbor community, as geographically depicted on Exhibit B attached hereto and incorporated hereinafter, shall continue to benefit from the services of a local food bank, and to that end, this Deed is made to provide a permanent home for FISH Food Bank.

The City's conveyance of the Properties is subject to the following terms and conditions:

1. Reservation of Easement. The City hereby reserves an easement over the southerly thirty (30) feet of the Properties where they adjoin the Hunt Street right-of-way. This easement is solely for right-of-way and utilities and other purposes necessary for the future Hunt Street crossing at State Route 16, identified on the City's 2018-2023 Six Year

2

Transportation Improvement Plan as Project 17. FISH Food Bank shall not construct any permanent structure within this reserved easement area, and no improvement or other use by FISH Food Bank shall limit or interfere in any way with the City's exercise of its easement rights, unless otherwise approved by the City in writing.

2. Use of Property. FISH Food Bank shall, for a period of not less than five years following the issuance of a certificate of occupancy by the City, use the Properties for food bank purposes and related community services only. At no time may the following programs or services be offered on the Properties:

   a. Soup kitchen or other program related to meal service;
   b. Overnight or daytime lodging;
   c. Daycare or childcare-related services;
   d. Medical care or treatment, with the exception of flu shots;
   e. Mental health care or treatment; or
   f. Substance abuse treatment or drug-related services.

3. Disposition of the Property.

   a. Disposition Within Five Years. If, for any reason, within five years following the issuance of a certificate of occupancy by the City, FISH Food Bank relocates from the Properties or seeks to sell, transfer, or otherwise dispose of the Properties, the Properties shall automatically revert to the City, in whatever condition they exist at that time.

   b. Disposition After Five Years. If, after five years following the issuance of a certificate of occupancy by the City, FISH Food Bank seeks to sell, transfer, or otherwise dispose of the Properties, the City shall have the first option to purchase the Properties and shall otherwise retain a First Right of Refusal in accordance with the terms in subsections 3(c) and (d) below.

   c. City's First Option to Purchase. In such event as set forth in Section 3(b) above, the City and FISH Food Bank shall each order an appraisal of the Properties by separate and independent commercial real estate appraisers. Following the delivery of each appraisal to both parties, the City and FISH Food Bank shall enter into good-faith negotiations for the purchase and sale of the Properties. If, after 30 days from the commencement of negotiations, a purchase agreement cannot be reached between FISH Food Bank and the City, FISH Food Bank shall have the right to sell the Properties to a third-party buyer, provided that the City shall retain a First Right of Refusal ("First Right").

   d. First Right of Refusal. Within two (2) days of receiving a written, bona fide purchase offer from a third-party buyer, FISH Food Bank shall transmit to the City, by regular and certified mail, return receipt requested, a copy of such offer. The City shall have five (5) business days from the receipt of such bona fide offer to agree to purchase the Properties on the same terms and conditions as contained in the bona fide offer. In the event the City does not exercise its First Right and the sale set forth in the bona fide offer is not consummated, the City shall retain its First Right with respect to any subsequent bona fide offers. In the event the City does not exercise its First Right and the bona fide offer is decreased in value in an amount greater than two percent of the initial offer price contained therein, FISH Food Bank shall transmit to the City, by regular and certified mail, return receipt requested, a copy of the modified offer and the City shall have an additional five (5) day period from receipt of notice of such modification to exercise its First Right based upon the bona fide offer as modified.

4. Property Development. FISH Food Bank agrees to develop and construct a new food bank building on the Properties. If, after five (5) years following the execution of this Deed, FISH Food Bank has not raised funds necessary for the development and construction of a food bank building or has not submitted its completed application for building permit approval, the Properties shall automatically revert to the City, in whatever condition they exist at that time unless the City Council determines that FISH Food Bank has made substantial steps toward reaching its goal. In that event, FISH Food Bank may be granted, by a majority vote of the City Council, an extension of time within which to secure additional funds or execute any further steps necessary to complete the building project. At any time within that same five (5) year period, FISH Food Bank may, of its own volition, elect to abandon the food bank building project, in which case it shall give the City written notice to that effect, and the Properties shall thereupon automatically revert to the City, in whatever condition they exist at that time.

5. Acknowledgment of City's Contribution. FISH Food Bank shall, where appropriate, acknowledge the City's support of and contribution to the development of the new food bank.

6. Default. If FISH Food Bank breaches any of the conditions contained in Sections 1-4 above, the City shall be entitled to recover possession of the Properties, subject to the provisions set forth in this Section. The City shall transmit to FISH Food Bank, by regular and certified mail, return receipt requested, notice of any default. FISH Food Bank shall have ten (10) days after receipt of such notice to cure the default; provided that if the default cannot be cured within ten (10) days, FISH Food Bank shall be granted such additional time as is reasonably necessary to cure the default, so long as FISH Food Bank shall have commenced the cure within the ten-day period and thereafter diligently pursues the cure to completion. In the event that FISH Food Bank engages in repeated, knowing violations of the provisions set forth in Section 2 above, to the degree that, in the judgment of the City Council, the use of the Properties has been constructively altered in contravention of Section 2, FISH Food Bank shall, by a majority vote of the City Council, be deemed in default without cure, and the Properties shall automatically revert to the City, in whatever condition they exist at that time.

7. Title Contingency. The execution of this Deed is contingent upon FISH Food Bank's review and approval of a title report on the Properties, together with any easements, covenants, conditions, and restrictions of record. FISH Food Bank shall have ten (10) days following the receipt of the title report to give notice of disapproval. In the event FISH Food Bank disapproves the report, the transfer of Properties governed by this Deed shall not be executed. If, within ten (10) days following the receipt of the title report, FISH Food Bank gives either affirmative notice of approval or no notice at all, this contingency shall be deemed satisfied and waived.

8. Indemnification.

   a. Indemnification by FISH Food Bank. In the event that the Properties revert back to the City under provisions of Sections 3, 4, or 6 above, FISH Food Bank shall indemnify the City against any and all claims, demands, losses, costs, expenses, liabilities, actions, suits, damages, or any other obligations or encumbrances attached to or associated with the Properties arising during FISH Food Bank's ownership of or operations on the Properties, including without limitation, liens, judgments, interest and penalties, and all amounts paid in settlement of any claim, action or suit which may be asserted against the holder of title to the Properties.

   b. Indemnification by the City. The City shall likewise indemnify FISH Food Bank against any and all claims, demands, losses, costs, expenses, liabilities, actions, suits, damages, or any other obligations or encumbrances attached to or associated with the Properties arising during the City's period of ownership prior to transferring title to FISH Food Bank, including without limitation, liens, judgments, interest and penalties, and all amounts paid in settlement of any claim, action or suit which may be asserted against the holder of title to the Properties. Further, the City shall indemnify FISH Food Bank against any and all claims, demands, losses, costs, expenses, liabilities, actions, suits, damages, or any other obligations or encumbrances attached to or associated with the City's rights to, use of, operations on, or activity within the reserved easement area set forth in Section 1 above.

9. Successors and Assigns. All terms and conditions associated with the conveyance herein constitute a covenant running with the land and shall apply to all of Grantee's heirs, successors, and assigns, unless released by a majority vote of the City Council.

DATED this 12th day of Dec., 2018.

CITY OF GIG HARBOR

By: Kit Kuhn

5

STATE OF WASHINGTON)
) ss.
County Of Pierce)

I certify that I know or have satisfactory evidence that Kit Kuhn is the person who appeared before me, and said person acknowledged that s/he signed this instrument, and on oath stated that s/he is authorized to execute the instrument and acknowledged it as the Mayor for the City of Gig Harbor to be the free and voluntary act and deed of such municipal corporation for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 12 day of December, 2018.

MOLLY M. TOWSLEE
COMMISSION EXPIRES
NOTARY PUBLIC
12-02-2019
STATE OF WASHINGTON

Molly M Towslee

Printed Name: MOLLY M TOWSLEE
NOTARY PUBLIC in and for the State of Washington, residing at GIG HARBOR
My commission expires: 12/2/19

6

EXHIBIT A
Legal Description

Tax Parcel No. 0221083054:

Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reservation; running thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter of 209.8 feet; thence West parallel to the South lien of said Section 209.8 feet; thence South 209.8 feet to a point 209.8 feet due West of the point of beginning; thence East to the point of beginning.

EXCEPT the West 100 feet thereof.

Also EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14

Also EXCEPT M.B. Hunt County Road.

Together with all that portion of Lot 10, Abandoned Military Reservation in Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, lying Westerly of Primary State Highway No. 14.

EXCEPT M.B. Hunt County Road.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

Tax Parcel No. 0221083032:

~~The West 100 feet of the following described property:~~

~~Beginning at the Southeast corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of the W.M., in Pierce County, Washington, being the Southeast corner of Lot 9 of Abandoned Military Reserve; thence North along the East line of said Southwest quarter of the Southwest quarter of the Southwest quarter 209.8 feet to a point 209.8 feet due West of the point of beginning; thence East to the point of beginning.~~

~~EXCEPT that portion thereof conveyed to the State of Washington for Primary State Highway No. 14.~~

~~Also EXCEPT M.B. Hunt County Road.~~

~~SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.~~

7

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Situate in the County of Pierce, State of Washington.

SUBJECT TO liens, encumbrances, easements, restrictions, and reservations of record, including but not limited to the Restrictive Covenant recorded at Pierce County Auditor's File No. 201806110734.

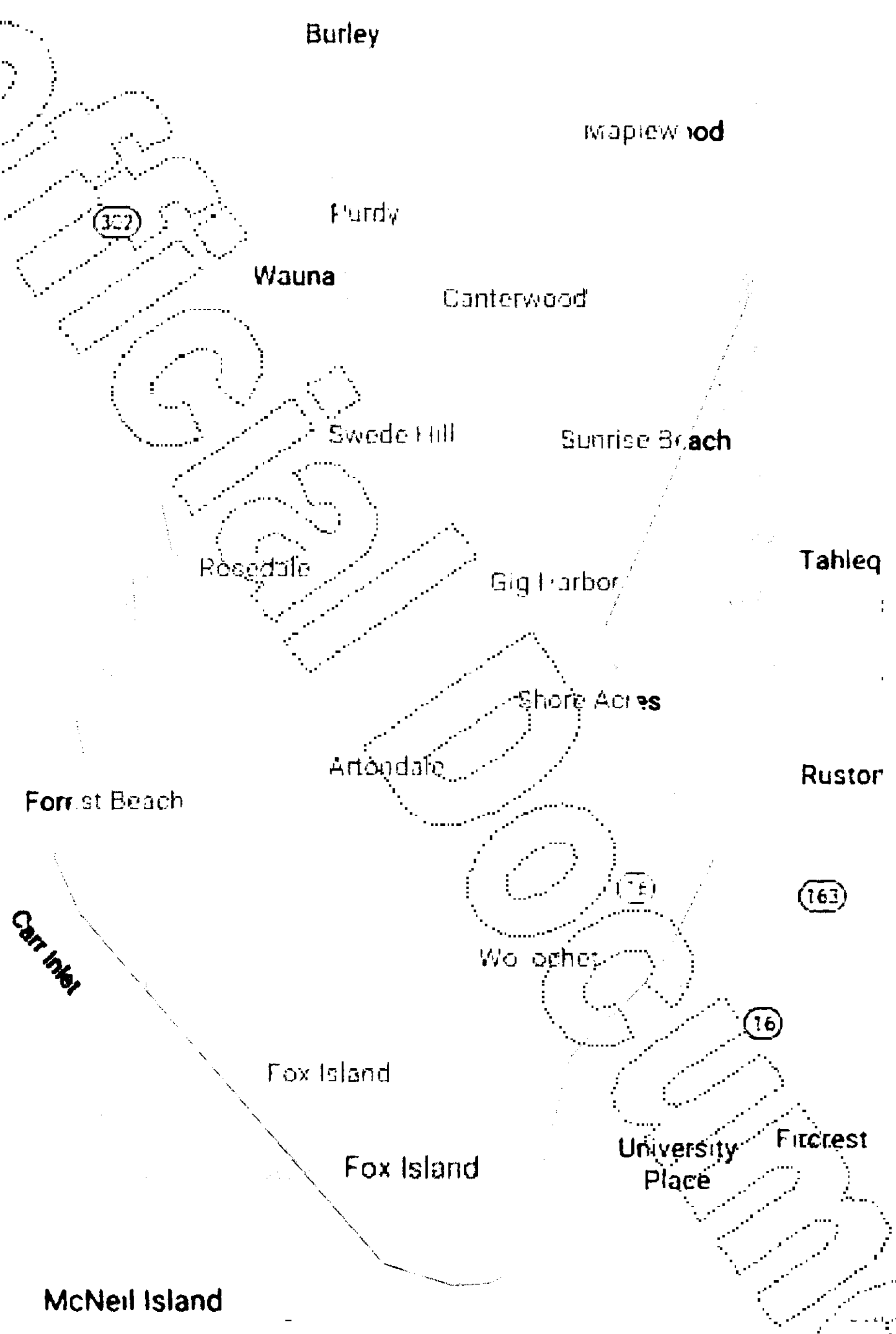
8

AUDITOR'S NOTE

LEGIBILITY FOR RECORDING AND COPYING UNSATISFACTORY IN A PORTION OF THIS INSTRUMENT WHEN RECEIVED

EXHIBIT B

Depiction of Greater Gig Harbor Community Geographic Area



9.

City of Gig Harbor
City Council Agenda Bill

Meeting Date: March 26, 2026

SUBJECT: Communication FLASHVote Results

SUBMITTED BY: Communications Manager Lori Maricle, APR
DEPARTMENT: Administration **PHONE:** 253-530-7079

SUGGESTED MOTION:

BACKGROUND INFORMATION: Purpose of presentation: At the March 26 study session, staff will present an overview of the FlashVote platform and review results of the February communication survey. The purpose of this presentation is to inform councilmembers about the efforts the city is taking to listen to residents' perceptions and sentiment. These efforts inform staff decision-making and help us better understand and address resident questions and concerns.

Background information: Members of the Gig Harbor community can sign up to participate in the city's FlashVote surveys here: https://www.flashvote.com/gigharbor

The goal of the city's communications office is to build and strengthen public trust and confidence in the city. Underpinning that goal is the foundational need to know and understand the perceptions and sentiment of the people we serve.

FlashVote gets statistically valid community input in 48 hours, on any topic. FlashVote makes scientific survey data over 90% easier, faster, and cheaper. This means the city can better understand what our community thinks, wants, and needs.

Residents appreciate FlashVote because it is always fast and convenient for them. The platform has exceptional levels of participation and trust because FlashVote is independent from the City of Gig Harbor, and the organization does thorough, non-partisan quality control for all surveys. FlashVote surveys benefit the city by providing non-biased data to support informed decisions. This means building more satisfied residents and building public trust. To learn more FlashVote click here: https://www.flashvote.com/how-it-works

Presentation on Communications and Engagement Survey:
Survey results for Communications and Engagement: https://www.flashvote.com/gig-harbor-wa/surveys/communications-and-engagement-02-26

This survey was sent on behalf of the City of Gig Harbor to the FlashVote community for Gig Harbor, Washington, in February 2026.

Staff recommendation to council: This is an informational presentation only.

FISCAL CONSIDERATION:

ATTACHMENTS: None

STRATEGIC PLAN PRIORITY:

City of Gig Harbor
City Council Agenda Bill

Meeting Date: March 26, 2026

SUBJECT: 2027-2028 Strategic Plan Discussion – Council Priority: Diverse and Affordable Housing

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SUBMITTED BY: City Administrator Katrina Knutson
DEPARTMENT: Administration **PHONE:** 851-8136

SUGGESTED MOTION:

BACKGROUND INFORMATION: Strategic Focus Area "Diverse and Affordable Housing"

PURPOSE
The purpose of this item is to prepare the city council for the March 26 study session focused on housing, including diverse and affordable housing options. This discussion is intended to support council in finalization of its strategic plan which will guide future decision-making and inform development of the 2027–2028 biennial budget.

CONTEXT
As part of its ongoing strategic planning work, council recently identified three priority areas to guide future policy discussions and budget development: economic vitality, housing, and strengthening council connection with the community.

Council has begun a phased and intentional approach to refining these priorities. Rather than moving immediately into specific programs or solutions, the current focus is on clearly defining what success looks like within each priority area. This approach ensures that future strategies, investments, and policy decisions are grounded in a shared understanding of council's goals.

The March 12 study session marked the first step in this process, with council engaging in a discussion on economic vitality. That conversation focused on identifying desired outcomes and the conditions necessary to support a strong and resilient local economy (summary of discussion attached). The same approach will guide the upcoming March 26 discussion on housing.

PURPOSE OF THE MARCH 26 DISCUSSION – DIVERSE AND AFFORDABLE HOUSING
The March 26 study session will provide council an opportunity to align on its policy direction related to housing in Gig Harbor, with a particular focus on the availability of diverse and affordable housing options.

This discussion is not intended to result in immediate decisions regarding specific projects, regulatory changes, or programs. Instead, it is an opportunity for council to articulate its expectations for the future and to define what success should look like for the community over the next two to five years.

Through this conversation, council will begin to clarify the outcomes it hopes to achieve, the challenges it believes should be addressed, and the role it expects the city to play in influencing housing conditions. Establishing this level of clarity is essential, as it will allow staff to evaluate potential tools, partnerships, and policy approaches that are aligned with council's direction.

KEY AREAS FOR CONSIDERATION

To support a productive discussion, a memorandum from Community Development Director Eric Baker is attached. The document provides general background, discussion regarding recent state-wide housing legislation, and a matrix of potential options for council's consideration.

CONNECTION TO PRIOR DISCUSSION

The March 12 discussion on economic vitality highlighted several themes that are closely connected to housing, including the importance of a predictable and efficient regulatory environment, strong partnerships, and strategic infrastructure investments. These connections reinforce the importance of viewing housing not as a standalone issue, but as part of a broader system that includes economic development, infrastructure, and community planning.

A detailed summary of the March 12 discussion has been prepared and is available as a separate document for council's reference.

ROLE OF COUNCIL AND ADMINISTRATION

As discussed during the leadership retreat and reinforced in recent study sessions, council's role is to establish policy direction, define priorities, and articulate desired outcomes. The Administration is responsible for evaluating options and implementing strategies that align with that direction.

The March 26 discussion is a critical step in this process. By clearly defining its goals related to housing, council enables staff to bring forward thoughtful, aligned, and actionable recommendations for future consideration.

CONNECTION TO BUDGET DEVELOPMENT

The direction provided by council through these discussions will play a central role in shaping the 2027–2028 biennial budget.

While the current 2025–2026 budget continues to guide ongoing operations and projects, the work taking place now will inform the next phase of planning. Specifically, council's guidance will help shape future policy options, identify potential investments, and ensure that resource allocation aligns with council's priorities, organizational capacity, and long-term fiscal sustainability.

By establishing clear outcomes at this stage, council helps ensure that future budget proposals are both strategic and responsive to the needs of the community.

NEXT STEPS
Following the March 26 study session, staff will document council's desired outcomes related to housing and begin evaluating potential strategies, tools, and partnerships that align with that direction. This work will be incorporated into early development of the 2027–2028 biennial budget.

Future discussions will also focus on the third council priority area, strengthening council connection with the community, completing the council's initial alignment on strategic direction.

FISCAL CONSIDERATION:

ATTACHMENTS:
1. Attachment 1 Strategic Priority Economic Vitality_knk_031326
2. Attachment 2 Housing Diversity Council SS Memo 031826

STRATEGIC PLAN PRIORITY:

Strategic Priority: Economic Vitality

Goal Statement

Gig Harbor is a vibrant and resilient economic community, known for its welcoming and responsive business environment, strong partnerships, and strategic investments that support a diverse local economy and long-term fiscal sustainability for residents and neighborhoods.

Outcomes

1. Strong Relationships and Two-Way Communication with the Business Community

Gig Harbor maintains strong, ongoing relationships with its business community through consistent outreach and meaningful two-way communication. Business owners and entrepreneurs view the city as a trusted partner that listens, understands their needs, and works collaboratively to support a thriving local economy.

2. A Welcoming and Efficient City for Businesses and Applicants

Gig Harbor is known for exceptional customer service and a welcoming, business-friendly approach to permitting and development. City processes related to land use, civil, and building permits are streamlined, coordinated, and transparent, creating a predictable and efficient experience for applicants.

3. Reduced Barriers to Business Growth

Gig Harbor has identified and addressed key regulatory, policy, and process barriers that may discourage businesses from locating or expanding in the community. City codes, policies, and procedures are clear, modern, and supportive of economic opportunity while maintaining community standards.

4. A Clear and Proactive Business Attraction Strategy

Gig Harbor actively attracts and supports businesses that align with community values and long-term economic goals. The city clearly communicates its strengths, quality of life, infrastructure, and workforce advantages, and strategically focuses on sectors that diversify the economy and strengthen the local tax base.

5. Strategic Partnerships that Strengthen Tourism and Economic Opportunity

Gig Harbor leverages strong partnerships with organizations such as Visit Gig Harbor, the Pierce County Tourism Authority, and regional partners to enhance tourism and economic activity. Strategic investments, including major city-led projects such as the

Sports Complex and Community Center, contribute to a vibrant visitor economy and expanded opportunities for local businesses.

6. Infrastructure and Community Assets that Support Sustainable Growth

Gig Harbor invests in infrastructure and community assets that support long-term economic vitality, including transportation, wastewater systems, and key public facilities. These investments ensure the city is well-positioned to support new businesses, redevelopment opportunities, and sustainable economic growth.

Memorandum

TO: Katrina Knutson, City Administrator
FROM: Eric Baker, Community Development Director
DATE: March 18, 2026
SUBJECT: Housing Diversity – Discussion of Priorities and Strategies

Purpose of presentation: Significant new legislation has been passed in the last 5 years regarding local jurisdiction's responsibilities to address housing supply, diversity, and affordability. These bills have become more directive requiring specific local actions and creating a regulatory role by the state, certifying jurisdictions housing elements. In short, the City will need to review its development regulations and establish adequate incentives to promote missing middle and multifamily housing that is available to households making less than area median income. If the city does not take adequate action, the City may become ineligible for certain state funding (e.g. transportation improvement program and parks grants).

MAJOR STATE HOUSING BILLS

HB 1220 (2021) – Requires jurisdictions to review and revise their development codes to remove barriers to missing middle housing (townhomes, accessory dwelling units, duplexes and multifamily (apartments and condominiums) in an effort to make housing available to families with incomes below 100% AMI. Also, directed the Department of Commerce to establish housing needs estimates for specific income bands. The City of Gig Harbor's estimates were adopted in the 2024 Comprehensive Plan and shown below).

Target Category	Target Increase	Net Change, 2020–2024	Remaining, 2024–2044	Type of Housing
Extremely low-income (0–30% AMI)				
Permanent supportive housing	+156	+2	+565	Low- and mid-rise apartments that include rental assistance and supportive services for residents, often serving as rapid re-housing for chronically homeless individuals.
Other housing units	+115			Low- and mid-rise apartments, potentially with significant public support/subsidies.
Very low-income (30–50% AMI)	+165			
Low-income (50–80% AMI)	+131			Low- and mid-rise apartments and condos, including ADUs.
Moderate-income (80–100% AMI)	+56	+10	+97	Moderate "middle" housing, including plex and townhome development
Moderate-income (100–120% AMI)	+51			
Higher income (120% or more)	+218	+500	-	Low-density detached single-family homes
Total Housing Units	**+892**	**+512**	**+662**	

1

HB 1293 (2023) – Limits City's design review requirements to only those that are objective in nature. Standards should be numeric or clearly understood by the general public. May limit the powers of the Design Review Board as they are responsible to assess alternate proposals that provide a "superior" outcome. This does not apply to any areas with established historic districts (downtown Gig Harbor).

ESB 5559 (2025) – Unit Lot Subdivision – Alternative to plats and short plats, similar to a condominium mechanism. Helpful for zero-lot-line development and attached construction (e.g. townhomes, row housing)

HB 1998 (2024) - Co-living Housing. Requires jurisdictions to allow co-living units (AKA boarding houses) in any zones that also allow multi-family units. Requirements for such housing are limited, including density calculations and parking requirements.

ESHB 2266 (2026) – Emergency Shelter, Transitional Housing, Emergency Housing, and Permanent Supportive Housing (STEP). Requires jurisdictions to allow indoor STEP housing in all zones that allow residential units or hotels. Regulations applying to such housing may not be more restrictive than those applied to a general single-family or multi-family project unless within 500 feet of a school.

SB 5148 (2025) – Housing Accountability Act - establishes a state process for review and certification of local government housing elements and codes. Up to 10 jurisdictions may be selected annually for targeted review. If found non-compliant with state statutes, Commerce shall direct actions to come into compliance and until resolved, the jurisdiction is ineligible for multiple state funding sources (e.g. TIB, parks grants).

Beyond state mandates, the City's lack of housing diversity creates issues for our community. With a nearly $900,000 average home price and nearly $2,700 average unit rental rate in the City, it is difficult for residents looking to downsize, young families, seniors looking to age in the community and those working in the City to find housing. A lack of housing increases traffic and greenhouse gas emissions, hurts economic development by limiting the potential workforce and diminishes the vitality of the community.

POTENTIAL CONSIDERATIONS

To improve housing diversity and provide opportunities for all residents, the following actions may be considered:

Regulatory Revisions	Incentives
Expand use allowances (STEP)	Multifamily Tax Exemption (MFTE)
Reduce lot dimensions	Fee reductions/exemptions
Reduce setbacks	Use of City land for housing
Increase building heights	
Increase hardscape allowances	
Reduce parking requirements	
Remove subjective design standards	