

# Government Relations Updates

## Economic Development District Board

March 5, 2025

Updated  
as of  
3/4/2025



Puget Sound Regional Council



*We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.*

[psrc.org/equity](https://psrc.org/equity)

# Federal Updates



- Budget Reconciliation
- March 14 Continuing Resolution
- WIOA Hearing: Education & Workforce Subcommittee on Higher Education & Workforce Development
- Air Traffic Control Hearing: Transportation and Infrastructure

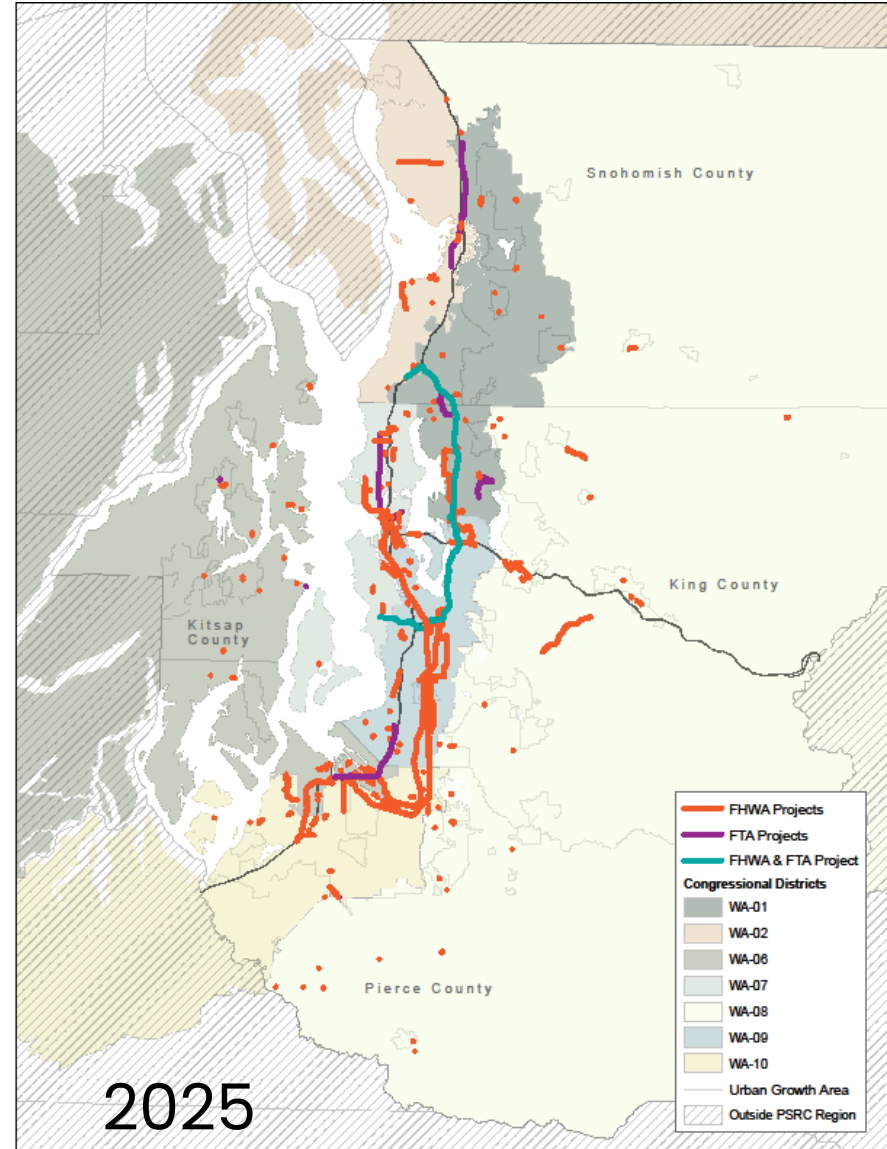
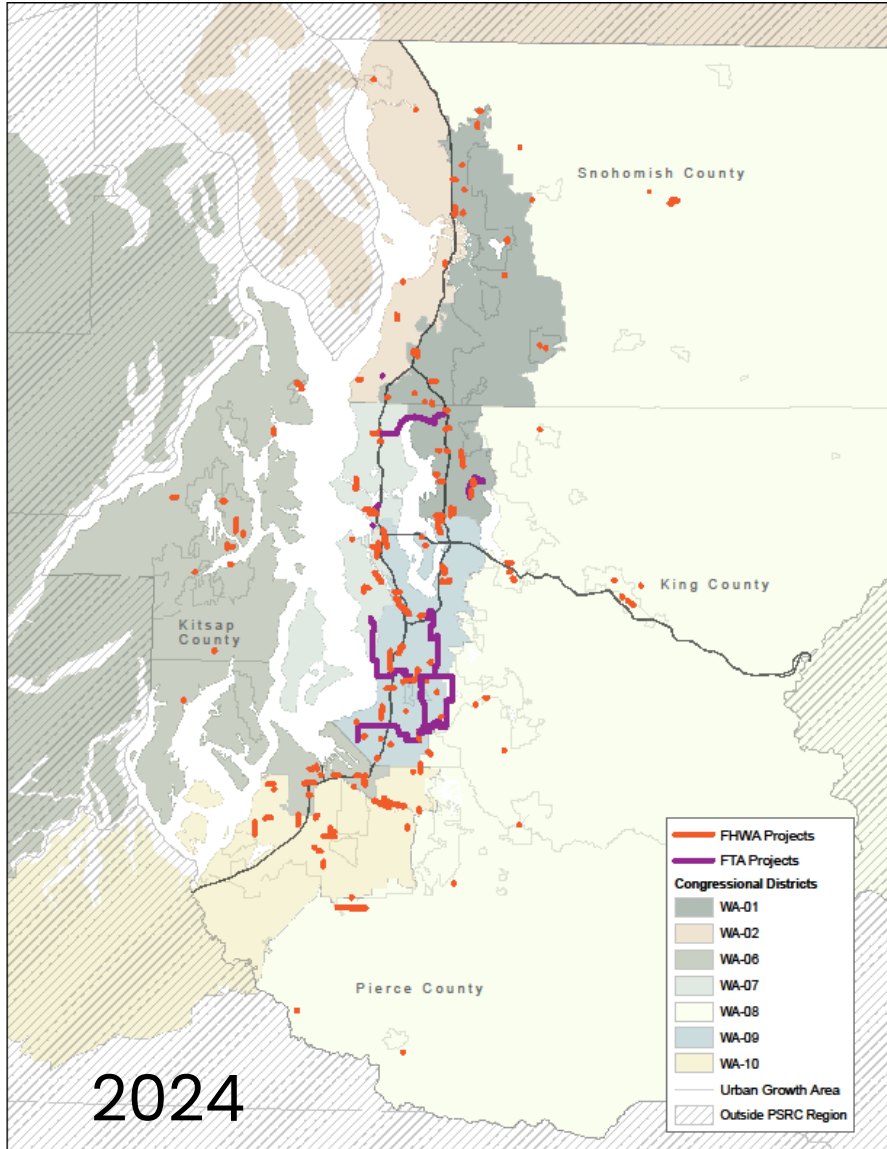


# PSRC Federal Engagement

- National Association of Regional Councils
- 9 congressional staff visits
- Senate Environment & Public Works Committee and House Transportation & Infrastructure



# Federal Updates: PSRC Regional Impact



**\$2.2 billion**  
in federal  
funds for  
projects  
obligated  
2024-2025



# Federal Resources

- [Video: PSRC Executive Board Update \(40:45\)](#)
- [Executive Order Summaries from Holland & Knight](#)
- [PSRC Federal News Post](#)



# 2025 State Legislative Session



- 2,151 bills introduced
- March 12 House of Origin Cut-off
- Next revenue forecast March 18

# 2025 Legislative Session Budget Outlook

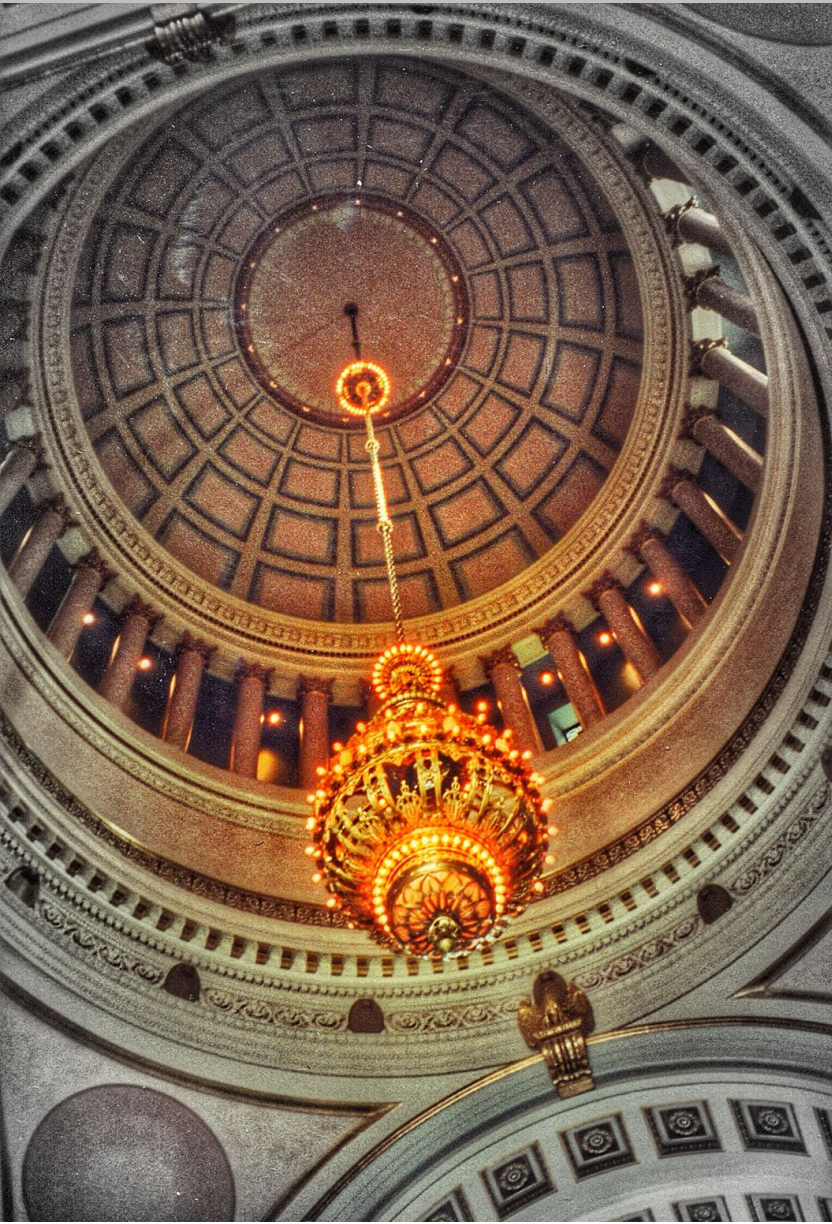
- Operating budget deficit of \$12–\$15 billion
- Transportation budget deficit of \$8 billion, \$1.2 billion in FY 25–27

## Budget Pressures:

- Lawsuits and tort claims
- Federal Funds ~ 30% of state budget
- Economic Outlook last week



# Governor and Legislative Proposals and Responses



- [\\$4 billion Governor Ferguson budget reduction plan](#)
- [House Democrats: WA Budget Cuts](#)
- New revenue being discussed by legislature
- Budgets after 3/18 revenue forecast



# Economic Development Proposed Budget Cuts

<b>Program</b>	<b>Ferguson</b>	<b>Inslee</b>
Associate Development Organizations <i>If both reductions remain, total cut to ADO budget will be \$5.1 m/biennium</i>	-\$3.5m	-\$1.4m
Microenterprise Development	-\$600k	-\$4m
World Cup Public Safety – <i>Eliminates proposed in Inslee’s budget</i>	-\$5.5m	
Local Gov Rural Development	-610k	
Small Business Center Support	-\$1m	
Small Business Training	-\$300k	
Economic Equity	-\$486k	
Clean Energy Development Office	-\$2.5m	
Clean Energy Pilot	-\$3m	
Statewide Tourism		-\$6m
Clean Energy Site Readiness		-\$4m
Industrial Symbiosis Program		-\$2.1m
Small Business Resilience Network		-\$2.8m
Regulatory Roadmap		-\$300k
Circular Economy Market Development program		-\$390k

# Washington State Ferries

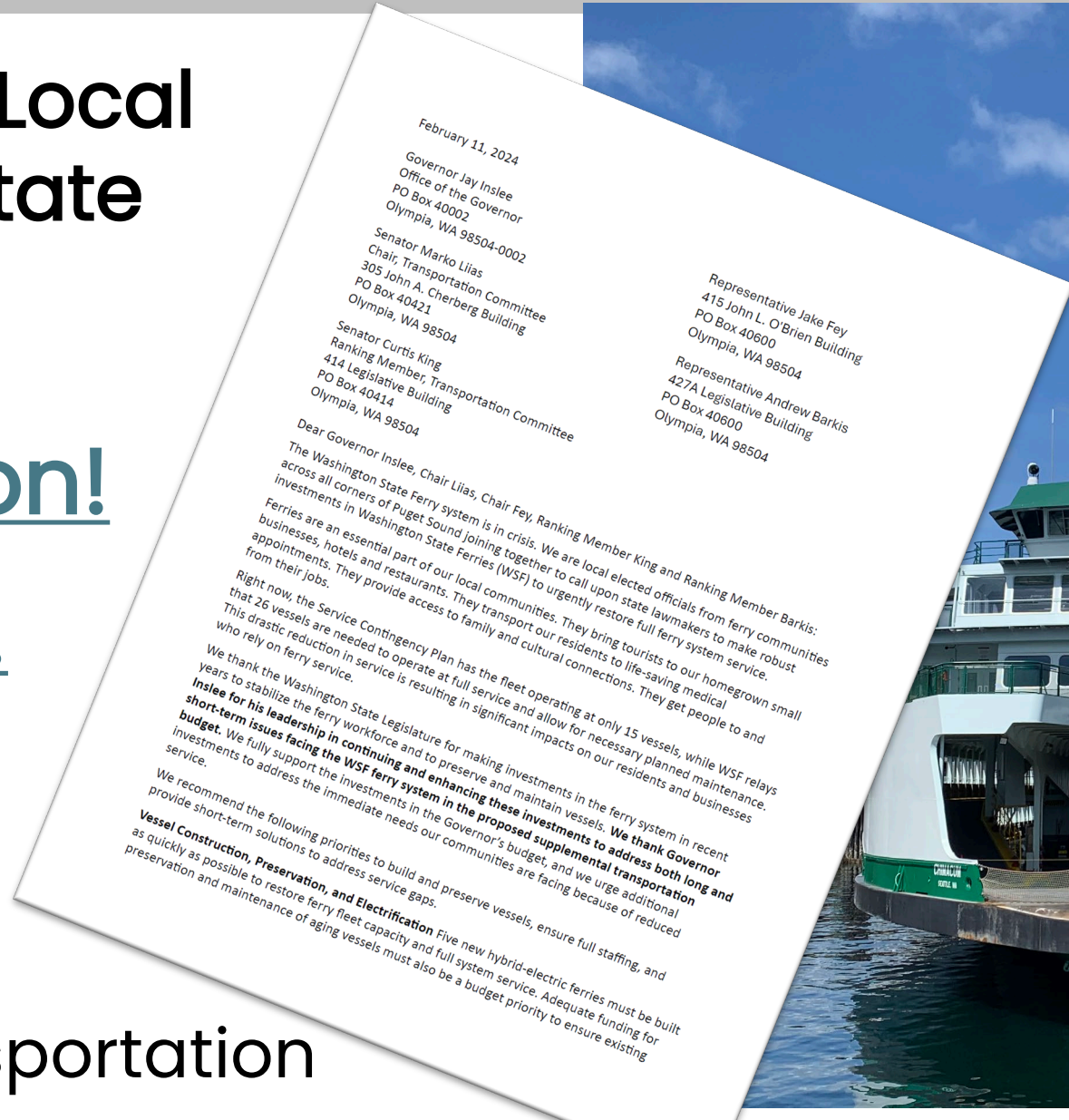
## Fund Our Ferries Local Elected Official State Sign-on Letters

## Federal Sign-on!

## State Sign-on!

Next Meeting:  
March 14, 10-11:30

Senator Lias  
Chair, Senate Transportation



February 11, 2024

Governor Jay Inslee  
Office of the Governor  
PO Box 40002  
Olympia, WA 98504-0002

Senator Marko Lias  
Chair, Transportation Committee  
305 John A. Cherberg Building  
PO Box 40421  
Olympia, WA 98504

Senator Curtis King  
Ranking Member, Transportation Committee  
414 Legislative Building  
PO Box 40414  
Olympia, WA 98504

Representative Jake Fey  
415 John L. O'Brien Building  
PO Box 40600  
Olympia, WA 98504

Representative Andrew Barkis  
427A Legislative Building  
PO Box 40600  
Olympia, WA 98504

Dear Governor Inslee, Chair Lias, Chair Fey, Ranking Member King and Ranking Member Barkis:

The Washington State Ferry system is in crisis. We are local elected officials from ferry communities across all corners of Puget Sound joining together to call upon state lawmakers to make robust investments in Washington State Ferries (WSF) to urgently restore full ferry system service. Ferries are an essential part of our local communities. They bring tourists to our hometown small businesses, hotels and restaurants. They transport our residents to life-saving medical appointments. They provide access to family and cultural connections. They get people to and from their jobs.

Right now, the Service Contingency Plan has the fleet operating at only 15 vessels, while WSF relays that 26 vessels are needed to operate at full service and allow for necessary planned maintenance. This drastic reduction in service is resulting in significant impacts on our residents and businesses who rely on ferry service.

We thank the Washington State Legislature for making investments in the ferry system in recent years to stabilize the ferry workforce and to preserve and maintain vessels. **We thank Governor Inslee for his leadership in continuing and enhancing these investments to address both long and short-term issues facing the WSF ferry system in the proposed supplemental transportation budget.** We fully support the investments in the Governor's budget, and we urge additional investments to address the immediate needs our communities are facing because of reduced service.

We recommend the following priorities to build and preserve vessels, ensure full staffing, and provide short-term solutions to address service gaps.

**Vessel Construction, Preservation, and Electrification** Five new hybrid-electric ferries must be built as quickly as possible to restore ferry fleet capacity and full system service. Adequate funding for preservation and maintenance of aging vessels must also be a budget priority to ensure existing

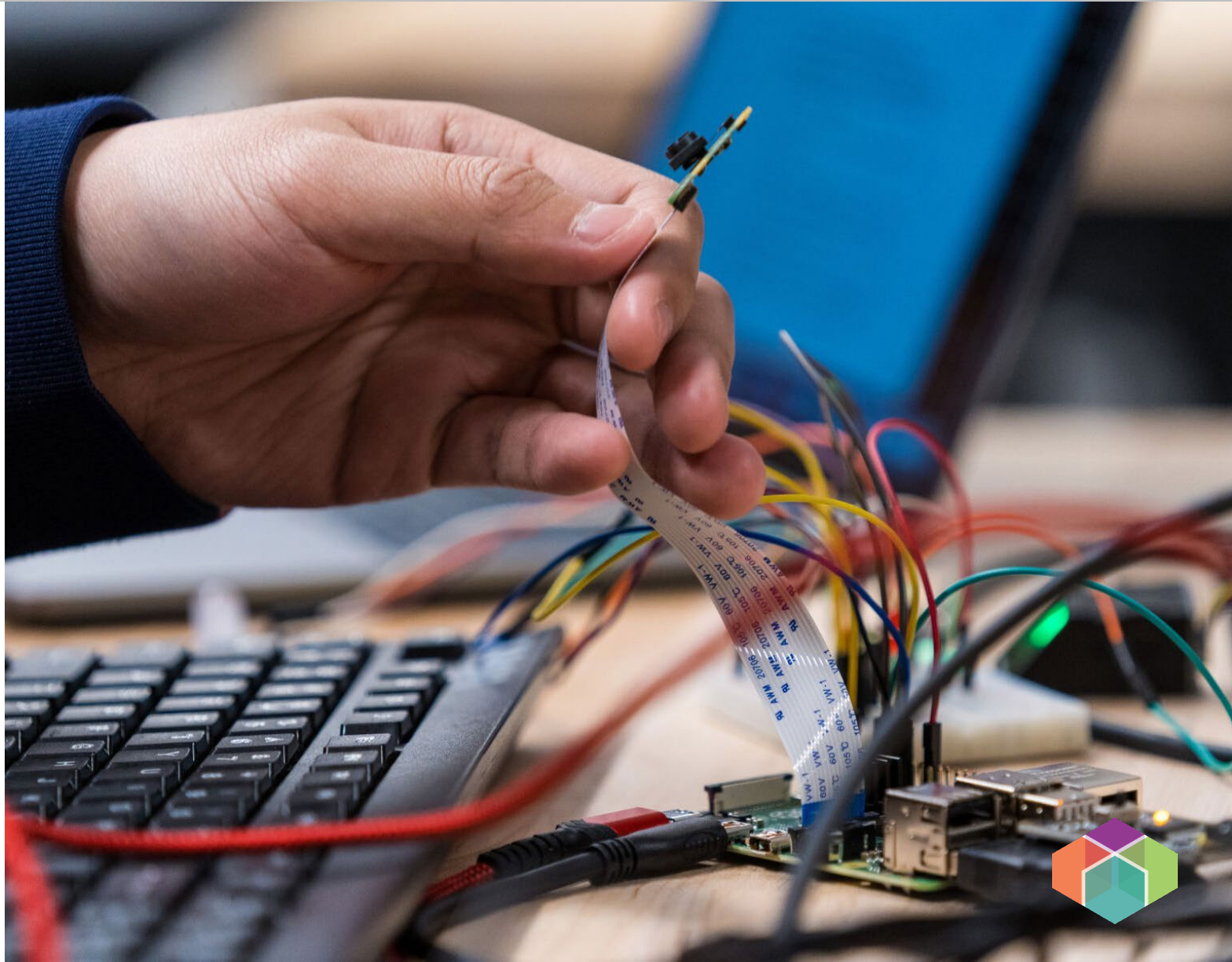


# ADOs – Fostering Innovation

[HB 1406](#) (Barnard) [SB 5677](#) (Cortes)

## Associate Development Organizations

- Urban county allocation up to HB \$300k/SB \$500k
- Rural county allocation up to HB \$40k/SB at least \$85k and up to \$150k
- Specifies Local match may be in-kind or cash, w 25% limit on in-kind



# Housing Stability

## Rent Stabilization

[HB 1217](#) (Alvarado) / [SB 5222](#) **dead**  
(Trudeau)

- Limits rent increases to no more than 7 percent per year during
- Requires 6 months' notice for a rent increase of 3 percent or more
- Establishes fees count as rent for the purposes of calculating an increase
- Limits move-in fees to the equivalent of one month's rent or less
- Limits late fees to no more than 1.5% of the amount due



# Housing Supply: Subdivision & Lot Splitting

## Lot Splitting

[HB 1096](#) (Barkis)

Establishes a process for review and approval of administrative lot split and residential building permits for new single family or middle housing.

## Streamlining Subdivision Process

[SB 5559](#) (Lovelett)

Streamlining the subdivision process inside urban growth areas.



# Housing Supply: Parking Requirements



[HB 1299](#) (Peterson) / [SB 5184](#) (Bateman)

## Minimum Parking Requirements

Prohibits cities and counties from requiring:

- More than 0.5 parking space per residential unit
- More than 1 parking space per 1000 feet of commercial space
- Eliminates minimum parking requirements for several building types including affordable & senior housing and homes < 1200 sq ft



# Housing Supply: Transit-Oriented Development

## Promoting Transit Oriented Housing Development

### [HB 1491](#) (Reed)

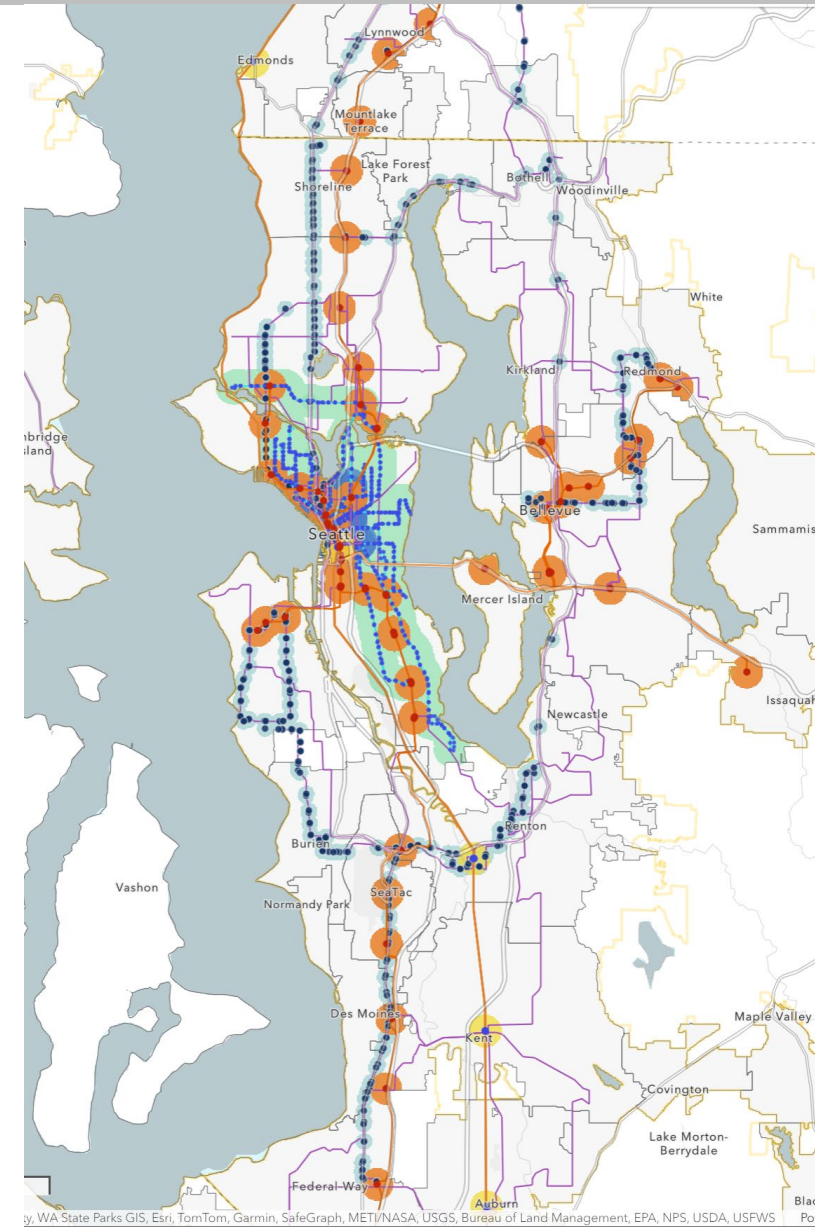
Creates density requirement in station areas

- 3.5 FAR w/in .5m of rail
- 2.5 FAR w/in .25m of BRT

## Promoting Transit Oriented Development

### [SB 5604](#) **dead** (Liias)

Allows jurisdictions to create MFTE program with 20-year tax exemption in station areas requiring 20% of units in building to be affordable for 50 years.



# Housing Supply: Limiting Speculation

## Limiting Excessive Home Buying

[HB 1732](#) **dead** (Thomas) /

[SB 5496](#) (Alvarado)

Limits purchase by businesses to 25 single-family homes and prohibits investment entities from purchasing single-family homes.





# Housing Research Center



- [Elected Official Sign-on Letter](#)
- [Organization Sign-on Letter](#)
- Budget ask: \$250,000 FY 2025 and \$750,000 FY 2026 and each subsequent year
- [One-pager](#)





# Thank You!

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Puget Sound Regional Council