WASHINGTON STATE
CREDA
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
Formerly NAIOP

**The Commercial Real Estate Development Association**
Washington State Chapter
P.O. Box 40 | Redmond, WA 98073

**October 22, 2026**
**Department of Ecology Shorelands and Environmental Assistance Program**
**Re: Proposed Changes: Chapters 173-26 and 173-27 WAC – Shoreline Management Act**

On behalf of the Commercial Real Estate Development Association (CREDAWA, formerly NAIOPWA), thank you for the opportunity to comment on the proposed updates to the Shoreline Management Act rules. CREDAWA represents a broad cross-section of the commercial real estate industry, including developers, builders, investors, and professionals responsible for delivering housing, employment centers and critical community infrastructure across the state.

Our members support responsible environmental stewardship and the protection of Washington's shoreline resources. We also believe regulatory changes should be balanced with the state's housing, economic development, and growth management goals. The proposed rule package is significant in both scope and impact. The changes span multiple chapters and affect nearly every aspect of shoreline planning, permitting, implementation, monitoring, and enforcement. Given the breadth of these revisions, it is difficult for stakeholders to fully assess all potential consequences, particularly when considering not only those subject to the regulations, but also the local governments responsible for administering and implementing them. The magnitude of the proposal warrants a deliberate and collaborative approach.

As drafted, the rules would increase permitting complexity, create additional uncertainty, impose new costs on projects, and add substantial new responsibilities for local governments. While these impacts would be felt across all forms of development, including commercial, industrial, mixed-use, and infrastructure projects, the consequences for housing production are particularly concerning. At a time when state policymakers are working to increase housing supply and improve affordability, these changes risk moving in the opposite direction. Several aspects of the proposal could result in additional land being brought under shoreline jurisdiction, including floodplains, critical areas, and associated buffers. This may reduce development capacity, particularly within urban growth areas where communities are expected to accommodate future housing needs. For many properties, especially smaller and constrained sites, expanded jurisdiction and larger regulated areas will mean fewer homes, lower density, or projects that no longer pencil.

We are also concerned that the proposal would make an already challenging permitting process more costly and unpredictable. New requirements related to buffers, vegetation management, tree replacement, public access, cultural resource review, mitigation, and long-term monitoring have the potential to significantly increase project costs while creating additional delays. The proposal also raises concerns around permit certainty and vested rights. Property owners and developers must be able to rely on the rules in place when projects are submitted and approved, rather than face shifting interpretations or new requirements later in the process.

CREDAWA is equally concerned about the impact on local governments. The proposal would require cities and counties to assume substantial new responsibilities related to mapping, permit administration, reporting, recordkeeping, and enforcement. Many jurisdictions are already managing staffing shortages, permitting backlogs, and the implementation of significant new legislation. These additional requirements represent ongoing obligations, yet the proposal does not

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provide a reliable long-term funding source to support them. More broadly, local governments are currently working to implement numerous state-directed housing policies intended to increase housing capacity, streamline permitting, and accommodate future growth. As the Legislature continues to advance policies aimed at addressing Washington's housing shortage, it is critical that local jurisdictions have the tools and flexibility needed to successfully implement those directives. This proposal risks creating another layer of review and administrative burden that will make it harder for communities to meet their state-mandated housing and growth goals. We are also concerned that the proposal grants significant discretion to local governments in determining shoreline designations and associated regulations. Similar properties could be regulated very differently depending on the jurisdiction in which they are located, creating uncertainty for applicants and local governments alike while making long-term planning and investment more difficult.

We do not believe Ecology's cost analysis fully captures the real-world impacts of these changes. Beyond direct compliance costs, the analysis appears to overlook lost development capacity, reduced density, permitting delays, financing costs, long-term maintenance obligations, and projects that become infeasible altogether. These impacts are particularly important when evaluating the proposal's effects on housing supply and economic activity. Washington has spent the last several years focused on increasing housing supply, improving permit predictability, and supporting economic growth. These proposed rules risk undermining those efforts by adding new restrictions, expanding review requirements, increasing costs, and creating additional uncertainty. As local jurisdictions take on new responsibilities to implement state housing and growth policies, the focus should be on helping communities meet those goals, not creating additional barriers that could limit development opportunities and complicate implementation.

**We recommend that the proposal be pared back to address only the direction of HB 1181 (2023) to update Shoreline Master Program guidelines to address how sea level rise and severe storms affect people, property, and the environment.** Accordingly, the package should not include amendments to the permitting process, enforcement provisions, or development standards such as tree replacement and vegetation management. All those processes and standards should be set by local governments in their own local context and not be set by Ecology statewide. Finally, in this re-draft process, we request that Ecology work collaboratively with local governments and the development community to develop a more balanced approach that achieves environmental objectives while preserving opportunities for housing, investment, and economic growth throughout Washington.

Thank you for your consideration.

Sincerely,

Carter Nelson

**Carter Nelson**
*Director of Government Affairs*
The Commercial Real Estate Development Association, Washington State