

Issues & Impacts

Second Quarter Edition
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A quarterly publication produced by Seattle King County REALTORS® to inform members about currently issues and successes within the Government Affairs Department.



Support for City Homeownership Initiatives

REALTORS® have long supported, and been active and successful advocates for, local action to increase the number of housing units, both here in King County and statewide.

Those efforts to increase housing supply have included new financial incentives, and wide-ranging policies to increase middle housing, accessory dwelling units (ADUs), conversions of vacant urban commercial structures to residences, tiny homes, transit-oriented development, and increased urban density. In addition, REALTORS® have also worked to bring new housing to the market sooner through faster permitting and regulatory reforms.

Those efforts have resulted in the construction of new housing units, including ADUs. But often, those new units are multi-family apartment projects rather than homeownership opportunities. Part of the explanation for the plethora of new apartments is found in clunky and financially risky rules regarding the construction of condominium projects, the necessity to “condominiumize” ADUs to create new homeownership opportunities, and the fact that developers can achieve a financial return more quickly with apartment projects that can be sold to a Real Estate Investment Trust (REIT) at 65% lease-up—unlike condominiums where the developers do not receive their profits until the last few condominiums are sold.

As a result, Seattle King County REALTORS® is increasingly focused on **ownership opportunities, not simply supply**.

Ownership opportunities remain important for a variety of reasons:

- Most REALTORS® are brokers, not leasing agents. To make a living, REALTORS® need inventory that can be sold.
- Additional ownership opportunities are a critically important part of the answer to rising rents. Too many would-be homeowners are currently forced to rent.

- Ownership opportunities are important for stabilizing both communities and the workforce that businesses need for their own financial success and for the economic vitality of our cities. Workers move to more affordable cities, and over time businesses tend to follow them.

In South King County the ownership focus of Seattle King County REALTORS® (SKCR)’s advocacy efforts is aided by new provisions in state law, and the state-mandated update of every city’s comprehensive plan this year.

Similarly in Seattle, a group of leaders from SKCR recently met with the City of Seattle Office of Planning and Community Development to request greater ownership housing opportunities in the Mayor’s proposed Comprehensive Plan update, specifically ADU, DADU, and middle housing types that enable not just condominium ownership, but fee-simple ownership in order to reduce costs and ongoing legal compliance.

The Mayor has transmitted the plan to the City Council with many of the concepts we discussed. The plan is now under consideration by the Council’s Land Use committee, chaired by Tammy Morales. Following a meeting with Councilmember Morales’ office, SKCR was asked to join a roundtable group that will meet through the balance of the year to offer our perspectives on how to elevate the need for density in the final comprehensive plan. Vice President-Elect of Governmental and Public Affairs Sol Villarreal will be representing SKCR on this group.

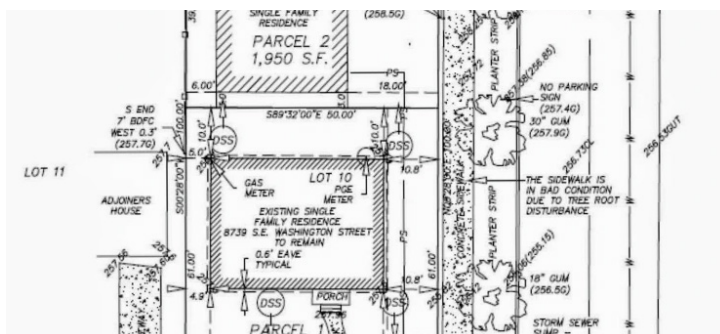


Changes to Kittitas County REET

Seattle King County REALTORS® has been assisting REALTORS® in Kittitas County in efforts to better understand the passage of a second 0.25% real estate excise tax (REET) without a vote of the people, and to evaluate the prospects for a levy lid lift to pay for neighborhood road maintenance projects. The focus of the advocacy has been to:

1. Distill the primary focus of industry concerns that have been expressed including:
 - Approval of the REET increase without a public vote
 - Expenditure of the REET funds
 - Whether the County Commissioners supplanted or diverted Capital Project Funds and replaced them with REET
2. Identify information and documents related to the imposition and expenditure of REET revenues that might be most helpful in answering questions and building trust with the Kittitas County Commissioners
3. Identify brokers and brokerage firms in Kittitas County who have expressed an interest in, and/or been vocal regarding, the enactment and expenditure of REET, and
4. Set the stage to work with the County Commissioners to address broad-ranging policy challenges that are in important to brokers in Kittitas County.

Proposed Lot-Splitting Policy Advances



Advocating strongly for policies that increase housing supply and housing affordability—especially for middle-income buyers in the King County Comprehensive Plan update—REALTORS® proposed a lot-splitting comprehensive plan amendment in targeted jurisdictions. The amendment would allow for the development of detached single-family residences and middle housing types through the splitting of a single residential lot into two residential lots. The underlying zoning would remain the same, and the ability to split a lot would offer an ownership

alternative to a condominium declaration for ADUs and DADUs.

We argued that allowing an existing residential lot to be split into two lots can offer many advantages to both the existing homeowner and to prospective homebuyers. It can provide current owners the opportunity to maintain homeownership in changing life circumstances, while also providing new homebuyers with a more affordable ownership opportunity. Additionally, lot splitting will provide additional opportunities for sales to affordable housing providers or homeownership facilitators that may be exempt from state real estate excise tax under chapter 82.45 RCW.

In an important win, King County Councilmember Sarah Perry, who chairs the Local Services and Land Use Committee has added lot-splitting to the Comprehensive Plan update. As the council continued to debate the proposal, we will be working to secure adoption of the lot-splitting provision.

Opportunities Under HB 1220

House Bill 1220 requires cities to plan to accommodate housing that is affordable to households that typically need government subsidies to obtain housing. It allows cities to collect a small sales tax to help fund those efforts.

Recently, state law was amended to provide cities with the option to use a portion of those sales tax proceeds to create homeownership opportunities—not simply subsidized rental housing—and REALTORS® have been actively encouraging cities to amend their codes to take advantage of this new opportunity to promote homeownership.



Covington

The city of Covington was an early adopter of the code changes needed to take advantage of this opportunity. The code amendments now allow proceeds from the sales tax to support homeownership opportunities for households with low and moderate incomes.



Burien

The city of Burien also approved code provisions to use the special sales tax revenues to assist with homeownership initiatives, but the city initially limited its ordinance to situations involving buyers at or below 50% of Area Median Income (AMI).

REALTORS® encouraged the Planning Commission to increase the AMI limit to 80%, which is still difficult, but not beyond the realm of possibility when coupled with a variety of downpayment assistance programs.

Renton

The city of Renton is evaluating what it describes as “a multi-faceted approach to encouraging first-time homeownership opportunities” by



- revising and including housing affordability targets in response to HB 1220,
- partnering with the Black Home Initiative which supports new homeownership opportunities,
- partnering with service providers and housing developers on best practices, and
- understanding which types and layouts of housing can best preserve the city’s diverse communities while enhancing the livability standards for all residents.

In the meantime, the city is continuing to support Middle Housing on 30% of all residential properties. Its Accessory Dwelling Unit (ADU) and Cottage Housing ordinance is a model of success.

Duvall, Lake Forest Park Revise Sign Code

The cities of Duvall and Lake Forest Park are in the process of revising their sign codes. As with our work in Woodinville, our goal is to guard against any changes that would constrain the use of use "For Sale" signs on premises and open house A-Boards off premises.

Sign codes updates are complicated and technical due to the many types of signs, both commercial

and private, that are posted within a city. While policymakers tend to favor real estate signage, our signs can get caught up in efforts to reduce the overall impact of signage within a city. For these reasons, we remain vigilant and engaged in what can be a long process.

Please contact us for more information and/or to get involved.

Woodinville Sign Code Passes

After a year of work with the Planning Commission and City Council, REALTORS® successfully preserved the allowance of the real estate industry to use "For Sale" signs on premises and open house A-Boards off premises in the City of Woodinville.

Our goal was to reverse a staff proposal that would have sharply limited the use of open house

A-Boards to just one sign in close proximity to the property for sale. We fought to allow four open house signs, within the same zone as the property for sale, in addition to one for sale sign per street frontage.

View the updated Sign Code Matrix (nwrealtor.com/sign-codes) for the most current sign code regulations in King County municipalities.

Regulation of Residential (Single-Family) Real Estate Signs

Jurisdiction	Number of On-Premise "For Sale" Signs	Size of On-Premise "For Sale" Signs	Length of Time On-Premise "For Sale Signs" May be Posted	# of Off-Premise Open House Signs "A-Boards"	# of Off-Premise Directional Signs / "Pointer Arrows" / "Stake signs"	Location/Restrictions Governing A-Board Open House Signs
UNIVERSITY PLACE 19.75.080	1 per lot	6 sq. ft.	15 days from the date of sale.	1 on site and 3 off-site.	Not allowed.	Off-premise open house "A-Boards" must be placed within a one-mile radius of the property for sale in the moderate density family (MSF) zone only. Signs may be immediately adjacent to, but not in, the ROW.
WOODINVILLE 21.20.130 (4)	1 per street frontage	8 square feet	until 14 days after sale	4 Placed in right of way. Posted only during open house hours; not before 9:00 am or after 6:00 pm.	Included in open house signs—combination cannot exceed 4 signs	May be placed in right of way. No larger than 4sf. Posted only during open house hours; not before 9:00 am or after 6:00 pm. Must be placed within the same zoning district as the property for sale.
WOODWAY 14.42.010 C	Please contact SCCAR	Please contact SCCAR	Please contact SCCAR	Annual permit required. Two open house (A- Board) signs allowed.	Not allowed.	Real estate offices must obtain an annual permit prior to placement of open house signs in the ROW. Open house signs are limited to temporary two faced "A frame" signs. No more than two open house signs are allowed in the ROW, of which only one open house sign can be placed on an arterial. Signs are allowed only during daylight hours while the seller or broker agent is on the premises and the open house is actually occurring. Sign size is limited to four (4) square feet. <small>View signs size allowed chart here for more information.</small>

Battery Energy Storage Systems Concern

Cities in South King County are confronting the prospect of as many as six new Battery Energy Storage System (BESS) facilities, and they are very concerned.

Local city officials requested, and Seattle King County REALTORS® has assisted in identifying, individuals with expertise in the regulation of energy facilities, including the potential application of protections under the National Environmental Policy Act (NEPA).

The situation was first brought to the attention of Seattle King County REALTORS® by brokers in the Covington John L. Scott office in connection with a proposed BESS facility just outside the city limits, but very near to a school. Recently, an informational pre-application presentation was also made to the Black Diamond Planning Commission.

In its simplest form, BESS facilities tend to be privately-owned projects that purchase excess lower-cost electrical power during non-peak periods of the day, then sell that energy at a profit to utilities (such as Puget's Sound Energy) during periods of high energy demand. Then, BESS facilities purchase replacement power (again, at lower cost) during non-peak periods, and later sell it for a profit during periods of high demand—in a cycle that is repeated over, and over, potentially multiple times in a single day.

Electrical generation facilities, and the electrical grid, are insufficient to meet electrical energy needs, and the situation is becoming more perilous as policymakers work for a fossil-free future.

Battery Energy Storage System facilities have the potential to be an important way to augment peak hour supplies of electrical energy, but there are several concerns:

1. Unlike other municipal utilities (water, sewer, garbage, etc.) BESS facilities pose an enormously heightened risk of battery fires that firefighters typically are not able to put out. Instead, the fire must be allowed to burn itself

out. Such a situation may be untenably problematic in an urban setting where there is a risk or likelihood that fire residue and ash could be distributed over a wide geographic area...with the potential for air, ground, and groundwater pollution, especially if rain passes the pollution into the ground.

2. The BESS private-sector enterprise companies are active in the Western energy markets. This creates the potential for “the risk” to be local while “the electricity” is sold or “wheeled-to” other states.
3. If BESS development projects are bundled/packaged and sold, who will undertake and pay for the costs of cleanup, oversight, damages, etc. in the event of a catastrophic event in a city? The federal and state governments don't own the project. Neither does Puget Sound Energy. Cities are understandably concerned that they will be left holding the financial bag in the event of a catastrophic event.

In response, even though there is no application currently pending in the city of Covington, the Covington City Council passed a one-year moratorium on any BESS projects inside the city limits to provide the Council with time to identify, assess and consider:

- fire risks and mitigation strategies
- city zoning
- financial risks to the city
- the authority of the state Energy Facility Site Evaluation Council to preempt any city action
- the role of the state Department of Ecology
- whether or not there is the potential for an environmental superfund contamination site to be created in the event of the catastrophic fire or other BESS failure, and
- the potential for individual cities to utilize the National Environmental Policy Act (NEPA) to protect the city and its residents both from BESS facilities within the city limits, as well as from BESS facilities located outside the city that may have a negative impact.

Comprehensive Plan Updates



Homeownership Demonstration Ordinance

Seattle King County REALTORS® have requested the Planning Commission recommend to the City Council, and the City Council adopt, an ordinance making the Affordable Housing “demonstration” code provisions (regarding affordable housing homeownership) a permanent ordinance in the city code. As a result of these efforts, we believe the city is likely to do so.

Boulevard Park

As Burien updates its comprehensive plan, the city is also contemplating up-zones and significant capital investments in proximity to significant residential corridors in the Boulevard Park area. The area presents rather unique challenges owing to its proximity to the SeaTac International Airport flightpath. The continuing challenges of noise, and making redevelopment projects pencil, is not a new issue for the city. So, REALTORS® have emphasized the importance of ensuring the success of other portions of the comprehensive plan update if the City is to not only plan for, but also accommodate, housing that is affordable to all economic segments of the population, as required by RCW 36.70A.020 (4).

Transit Oriented Development (TOD), especially in the Ambaum Corridor

REALTORS® have encouraged the city to focus significant (as opposed to modest) additional new density in the Ambaum Corridor, and to facilitate the construction of new Transit Oriented Development.

Even though it appears the greatest amount of new density (for purposes of satisfying the City’s current 20-year growth targets) is likely to occur in the areas of Downtown and 1st Avenue, we have recommended the city re-consider the longer-term impacts of only allowing very modest density increases for TOD in the Ambaum corridor, for three reasons:

- The growth planning that will be completed by the end of this year is focused primarily on the current 20-year planning horizon.
- However, whatever residential and commercial structures are built during that 20-year time-frame will likely have a functional life, and an economic life, of 50–70 years. It is really a matter of common sense: very rarely, if ever, is a newly constructed building torn down just 20 years after it was built. Typically, it will remain in place for an additional 30 to 50 years.
- So, allowing only midrise structures (that make less than optimally efficient use of development opportunities) in the Ambaum Corridor now might result in a significant “opportunity cost” for the city when the next statutorily mandated major update of the comprehensive plan is required in 2034 based on revised/higher growth targets, and again in 2044.

TOD zoning that is too modest now may create future “missed opportunities for new housing” for decades.

Comprehensive Plan Updates



CITY OF TUKWILA

Tiny Villages

The city of Tukwila has been embroiled for more than a year in disputes and litigation with King County regarding housing for asylum-seekers, including the tent encampment at Riverton Park United Methodist Church (RPUMC).

Recently, that dispute spilled over into the city of Kent. Asylum-seekers displaced from local hotels (and turned away from the Riverton Park site which is at capacity) have established an encampment next to the currently vacant Kent Econo Lodge that was purchased by King County during the Covid pandemic and subsequently rendered uninhabitable.

As it continues to grapple with the encampment issues, Tukwila has been considering new ordinances related to tiny villages, including the one at RPUMC.

In testimony before the Tukwila Planning Commission, Seattle King County REALTORS® encouraged the city to establish clear lines of demarcation in its codes between:

- *Homeless Encampments*
- *Tiny Villages* (with sleeping structures, but communal dining and restroom facilities), and
- *Tiny Home Villages* (with fully self-contained dwellings that have sleeping, cooking, restroom and living space) which are authorized by state law in connection with a Binding Site Plan.

Our REALTOR® testimony was intended to avoid the potential for Tiny Villages to be conflated with Tiny Home Villages. In our view, it is important to maintain this distinction because of the potential for Tiny Home Villages to provide future home-ownership opportunities in connection with binding site plans (without the necessity of going through the platting or condominium process).

Development Code Clarifications

Seattle King County REALTORS® also testified before the Tukwila Planning Commission in support of several clarifications in the city's development code including:

- Amendments to achieve congruence between single family and ADU development standards for new construction, as required by state law
- Clarifying that the 1,000 square foot limitation on ADUs in garages does not apply to detached ADUs that are not connected to a garage
- Elimination of ADU design requirements that were greater than those applied to single-family residential developments, while also maintaining other ADU incentives and enhancements in the city code.

Early Endorsements, Primary Election

Candidates included in the Seattle King County REALTORS® Endorsed Candidates Guide have earned the association’s endorsement based on their voting record and/or responses to our candidate interview questionnaire. A panel of REALTOR® volunteers conduct all interviews forwarding recommendations for endorsement to the full Government Affairs Committee. Endorsements then need to be approved by the committee by a two-thirds vote of the full Governmental Affairs Committee.

Governor



SEN. MARK MULLET

www.mulletforgovernor.com

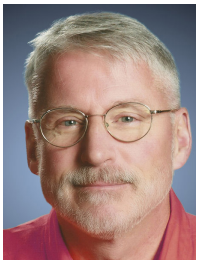
Legislative District 1



Senate

DEREK STANFORD*

Legislative District 5



Senate

**REP. CHAD
MAGENDANZ**

vote4chad.com

Legislative District 5



House Position 1

JASON RITCHIE

www.electritchie.com

Legislative District 11



House Position 1

DAVID HACKNEY*

Legislative District 13



House Position 1

TOM DENT*

Early Endorsements, Primary Election

Legislative District 13



House Position 2
ALEX YBARRA*

Legislative District 30



House Position 2
KRISTINE REEVES*

Legislative District 34



House Position 2
JOE FITZGIBBON*

Legislative District 45



House Position 2
LARRY SPRINGER*

Legislative District 47



Position 4
CHRIS STEARNS*

Legislative District 48



Position 5
AMY WALEN*

Seattle City Council



Position 8, Citywide
TANYA WOO

Find the full list of endorsed candidates ahead of the November General Election at nwrealtor.com/endorsements.

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Please call Taylor at 425.974.1013 for questions or comments.



REALTOR® Political Action Committee

Scan the code to invest in RPAC—a quick and easy way to protect your business.

Issues & Impacts

Seattle King County REALTORS® (SKCR) is working to ensure that public policies support homeownership and your business's bottom line.

Please contact Taylor Shanaman, Director of Governmental and Public Affairs, at tshanaman@nwrealtor.com with any local legislative issues that may need our attention.

The next issue will be released in October 2024.