

Issues & Impacts

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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.



Major Victory in Seattle City Council Races

Out of six Seattle City Council candidates endorsed by Seattle King County REALTORS®, four were elected by Seattle residents, flipping the Council to a more moderate position.

For the past several years, the Seattle City Council has presided over a severe erosion of quality of life in the city by focusing on a highly activist political agenda that ignored the needs of average homeowners simply trying to earn a living and raise their families. Crime rates skyrocketed, and the police force was decimated. The council's approval rating plunged to near 20%, an all-time low.

Unfortunately, what happens in Seattle does not stay in Seattle. As the largest city in the state, Seattle is the source of progressive policies that increase taxes and dilute property rights. Once passed in Seattle they spread to other cities and the state legislature. So, moderating Seattle politics offers statewide benefit.

This year, seven council seats were up for reelection, with only three incumbents. Four seats were open. This was an unprecedented opportunity that led the SKCR Board of Directors to appoint a special task force to consider and issue endorsements in Seattle. A total of 45 candidates filed for the seven seats. SKCR interviewed 19 of the most viable candidates across all seven districts and made endorsements in six races.

SKCR's emphasis in this election was pragmatism, public safety, and a return to the high quality of life that the Pacific Northwest has long

enjoyed. This was a once-in-a-decade opportunity to support more moderate candidates who will listen to business, but still align with Seattle voter sensibilities and are therefore electable.

Here are the Guiding Principles we used for candidate endorsement:

Pragmatic and durable solutions to the housing affordability crisis

- Zoning should ensure that an adequate supply of market-rate housing can be built relative to demand.
- Subsidized/low-income housing should be funded by broad taxing measures. Everyone should pay, not just those buying or selling a house. Transfer taxes like the real estate excise tax (REET) or fees on new development increase market-rate housing costs.

A robust housing ladder

- Overall housing affordability requires housing choices at every price point—from a subsidized unit to a lakefront mansion. “Move up” buyers create housing options for everyone below them on the housing ladder.
- There is a critical need for housing available to median income households, so they can enter the real estate market and start building equity and housing stability.
- Middle housing offers important opportunities for new housing supply in existing neighborhoods.

Improved public safety

- Quality of life depends on real and perceived personal and property safety.
- Safe streets are a critical component for a healthy, vibrant community.

Economic opportunity for all

- A healthy city partners with its employers to promote access to good, family-wage jobs.

Responsible, responsive councilmembers and governance

- Many Seattle residents feel disconnected from City Hall. They seek a city government that attends to the core responsibilities of city government—public safety, maintenance of bridges, streets, and parks. They seek wise use of tax dollars and responsiveness when basic services are not being met.

Seattle voters agreed and sent five new members to the City Council. Each of the five represents the more moderate candidate in the race. Voters also returned two incumbents to office.

Already, the council has demonstrated its interest in thoughtful governance by electing Sara Nelson as Council President. Nelson is a small-business owner and a strong supporter of housing supply and quality of life. We expect her to hit the ground running in partnership with Mayor Harrell to get Seattle back on track.

Another Endorsed Candidate Appointed

Seattle City Council member Teresa Mosqueda successfully ran for a seat on the King County Council this past November, leaving her Seattle City Council seat vacant.

The council appointed Tanya Woo to fill the vacancy, and she will hold the seat until the voters select a new City Council member in November. Seattle King County REALTORS® endorsed Woo in her unsuccessful bid for the District 2 City Council seat in 2023.

Seattle Voters Pass Housing Levy



For nearly four decades, the SKCR-supported Housing Levy has been an important funding mechanism for the creation of subsidized housing in Seattle. The levy has funded the construction and preservation of more than 12,000 homes and assisted organizations, like Habitat for Humanity, promote homeownership. The 2023 Housing Levy was renewed at \$970 million and promises to create and preserve more than 3,500 affordable homes.

Property Tax Increase for Police Funding

Voters in the City of Maple Valley have approved a “Levy Lid Lift” to increase property taxes to pay for police services. The November ballot measure, which was approved by 66% of voters, restricts the use of \$2.2 million in additional funding for police services only.

City officials, who actively engaged both residents and the business community prior to the election, said the increased funding is needed to maintain existing levels of police services, including neighborhood safety patrols, traffic enforcement in school zones and neighborhoods, School Resource Officers, and community crime prevention programs.

Maple Valley does not have its own Police Department. Instead, it contracts with the King County Sheriff’s Office for police services. The City’s cost to provide police services has increased by an average of 6.4% annually since 2020. Collectively bargained wages and liabili-



ty insurance costs have been two of the largest areas of increasing public safety expenses. According to information published by the City, the Sheriff increased the cost of the City’s contract by 19% from 2022 to 2023.

Under state law, cities cannot increase the amount of property taxes they receive by more than 1% per year without a public vote. City officials pointed out that except for 2020, over the past

10 years the average annual increase in inflation was 3.3%. Approximately 7¢ of each dollar of property tax paid in Maple Valley is received by the City. The other \$0.93 goes to other entities. The monthly impact of the levy lid lift on a median priced home in Maple Valley is expected to be approximately \$17.67. Qualifying senior citizens on a fixed income, or persons with disabilities, may qualify for tax exemptions or tax deferrals and can contact the King County Assessor’s Office at 206-296-3920 or visit kingcounty.gov/assessor for information.

Woodinville Sign Code Update



SKCR continues to work with the City of Woodinville Planning Commission as it contemplates amendments to its sign code that would affect real estate signage.

Our goal is to guard against any changes that would constrain the use of on-premises for sale signs and off-premises open house A-boards.

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

Revisions to Permitting Process

Covington is among the cities working to bring its development regulations, specifically its permitting processes, into compliance with new mandates on cities and counties in Senate Bill 5290, which the legislature passed during the 2023 session.

The bill requires that

- Within 20 business days of a project permit application being submitted to local governments, applicants must receive a written notice that their application is complete, or that the application is incomplete, together with an outline of what is necessary to make the application procedurally complete. The notice may also include information on the development regulations that may be used to make a decision on the application. If no notice is received within 29 days, the application is considered complete. A determination of “completeness” is important because it triggers the amount of time remaining for a city or county to make a final decision on the permit application.
- The new law also requires local governments to establish and implement timelines for each type of project permit application in their development regulations. Cities that fail to process permits on-time more than 50% of the time are required to revise how they are doing business. Additionally, the law authorizes refunds to applicants if local governments do not complete permit processing on time. Local governments are provided some flexibility, but only if they adopt a specific ordinance. Otherwise, the timelines should not exceed:
 - 45 days for permits which do not require public notice
 - 70 days for permits which require public notice; and
 - 120 days for permits which require public notice and a public hearing.



Any time-period longer than 120 days may be appealed. The law contains some specific exemptions that allow for additional time, and instructions for the calculation of time.

- Each city and county “fully planning under GMA” (which includes all jurisdictions in the central Puget Sound region) must begin collecting information in 2024 to produce an Annual Performance Report that discloses specifically-required information about its performance on certain types of permits associated with housing. The reports must be included on city websites, and provided to the Washington Department of Commerce by March 1st. Then, by July 1 of each year, Commerce is required to publish an analysis that identifies which jurisdictions are using best practices to complete processing of permit applications efficiently. In addition, the new law also identifies several very specific recommendations cities are encouraged to adopt to help improve permitting efficiencies to bring new housing units to the market more rapidly. The Washington Department of Commerce is required to convene a work group to identify best practices, and to report back to the legislature by August 2024. In the meantime, the law also provides grant funding and technical assistance through the Department of Commerce to help cities evaluate and improve their permitting processes.

Countywide Planning Policy Amendments

Under Washington’s Growth Management Act (GMA), each county must adopt Countywide Planning Policies (CPPs). Along with GMA and Multicounty Planning Policies, those countywide policies govern and guide the comprehensive plan and development regulations in each of the county’s cities. Those CPPs are updated periodically, typically after the state’s Office of Financial Management (OFM) publishes new 20-year population forecasts for each county.

In the most recent round of amendments to the Countywide Planning Policies, which was undertaken in connection with each city’s “state-required major update” of its comprehensive plan not later than December 2024, SeaTac and several other South King County cities (Federal Way, Kent, Renton, and Tukwila) submitted a joint letter to the County recommending and requesting additional amendments to incorporate language to:

- Recognize that affordable housing is not evenly distributed throughout King County;
- Account for the impact regional facilities (e.g. transfer stations, jails, behavioral health facilities, homeless shelters, etc.) have on communities in South King County;
- Ensure that seemingly impartial standards like “efficiency” are not used to perpetuate historical impacts on the BIPOC communities in South King County; and
- Recognize that regional challenges should be addressed through a well-defined collaborative process.

Initially, action was deferred on several amendments related to the subjects identified by SeaTac and other cities pending review by the Growth Management Planning Council and the King County Affordable Housing Committee, both of which eventually recommended the King County Council adopt the changes. The changes will become effective when ratified by 30%

of the jurisdictions in the county representing at least 70% of the County’s population. Ratification occurs by an affirmative vote, or by failure to pass a vote rejecting the amendments. As a result, ratification of the 2023 amendments to the Countywide Planning Policies is likely.

in 2024, each jurisdiction will share an early draft of their housing-related goals and policies with King County staff. King County staff and the Affordable Housing Committee (AHC) will then review the draft material and provide feedback to cities via a letter from the AHC.

In particular, the CPP amendments further implement the requirements of the GMA by:

1. Taking into account (1) the existing amount of affordable housing in each jurisdiction, (2) income-restricted housing, and (3) the distribution of wage rates, when allocating affordable housing and permanent supportive housing “need” across King County. In general, the 2023 CPP amendments reflect an equitable distribution of affordable housing through King County, which directly addresses the first of SeaTac’s comments in the joint letter with other South King County cities.
2. Establishing a process for jurisdictions to document compliance with the King County Housing Countywide Policies as part of each

jurisdiction's Comprehensive Plan development, and to document specific implementation strategies and timeframes. The purpose of this review and recommendation is to ensure consistency between the housing-related CPPs and the jurisdiction's efforts to accommodate housing. Under this review, King County will also evaluate the meaningfulness of each jurisdiction's efforts to materially affect the affordability of housing to better match forecasted need.

SeaTac believes it has a larger percent of affordable housing than other cities in the county, and as a result the affordable housing and permanent supportive housing need should be understood in the context of the residential growth target for SeaTac.

The residential growth target for SeaTac is a net increase of 5,900 households between 2019 and 2044. Based upon recent analysis by the City, SeaTac currently has sufficient zoned capacity to accommodate projected housing needs as part of the 2024 Comprehensive Plan Update.

SeaTac has a relatively large housing need for housing affordable at or above 100% of the Area Median Income (AMI), which the city anticipates will be supplied by the private sector. Additionally, the specific affordable housing need for SeaTac will focus on providing housing for people earning less than 50% of AMI.

Procedurally, in 2024, each jurisdiction will share an early draft of their housing-related goals and policies with King County staff. King County staff and the Affordable Housing Committee (AHC) will then review the draft material and provide feedback to cities via a letter from the AHC.

Then, King County staff will be responsible for engaging in ongoing review of each jurisdiction's efforts in subsequent years (after 2024), with increased monitoring and documentation every 5 years thereafter. SeaTac anticipates this procedure will be sufficient to address the equitable concerns raised in its joint letter regarding amendments to the Countywide Planning Policies.

SKCR Helps Kill 3 of 4 Tax Proposals

The outgoing Seattle City Council did not go quietly. They considered several new or increased taxes as part of the 2023 budget process. SKCR urged the council to evaluate current spending, use all available revenues, prioritize spending, and generate economic activity before considering any new revenues. We noted that no new revenues were needed to balance the 2024 budget and that it's not this council's job to address projected deficits after their terms end. Further, we noted that increased taxes, particularly on businesses, will harm business growth and retention at a time in which our downtown continues to struggle.

Council debated the following proposals:

- Increase in the rate of the Payroll Expense Tax.
- City capital gains tax of 3% (on top of the state's 7% tax);
- Transportation Impact Fee;
- High CEO pay ratio tax (tax that applies to companies with large gap between CEO pay and median worker salary).

All but a 6% increase to the Payroll Expense Tax were defeated.

Cities Act to Embrace Various Legislation

The 2023 legislative session in Olympia was dubbed the “Housing Session” based on numerous bills passed by legislators to increase the supply of housing throughout the state. Now, cities are working to implement the new legislative mandates, with early action focused on Accessory Dwelling Units and Unit Lot Subdivisions (also known as Zero Lot Line Units):

Tukwila

The city of Tukwila is moving forward to amend Title 17 of the city code to address Unit Lot Subdivisions as follows:

“Sites developed or proposed to be developed with townhouses, cottage housing, compact single-family, accessory dwelling units, or zero-lot line units may be subdivided into individual unit lots. The development (as a whole) shall meet development standards applicable at the time the permit application is vested. Any private, usable open space for each dwelling unit shall be provided on the same lot as the dwelling unit it serves.”

Additionally, Title 18 is being amended to make it easier to site Accessory Dwelling Units. New code language provides:

“Accessory dwelling unit means a dwelling unit located on the same lot as a single-family housing unit, duplex, triplex, townhome, or other housing unit”...and...“Single-family dwelling” means a building, modular home or new manufactured home, designed to contain no more than one dwelling unit plus two accessory dwelling units.

“Additionally, the City’s code includes several additional technical specifications involving increasing the number of ADUs on a parcel, maximum unit size, increased height, and lot coverage of ADUs, as well as adding authorization for tandem parking.”

Together, these amendments address both increased “ownership” opportunities, as well as increased “housing supply” - both of which are badly needed in the Central Puget Sound Region.

Enumclaw

In the city of Enumclaw, city staff and the Planning Commission, have forwarded to the City Council recommendations that Enumclaw modify its development regulations for Accessory Dwelling Units to include the following:

- Updated definitions, consistent with House Bill 1337 passed in 2023
- Removal of Owner Occupancy requirements
- Allow ADUs to be sold as condominiums
- Increase the maximum size of an ADU 25% (from 800 to 1000 square feet of gross floor area)
- Allow two ADUs on any lot in most configurations (two detached, two attached, or mixture)
- Increase maximum ADU heights from 18’ to 24 feet
- Eliminate the requirement that owners provide an affidavit that they reside on the premises, eliminate notice and hearing provisions, and eliminate pre-inspection requirements
- Add provisions providing a path to legalize non-conforming structures, ensuring that ADUs are safe to inhabit.
- The section regarding pre-existing ADUs has been removed as outdated; and
- Cap impact fees at 50% of the normal impact fee for a single family home.

Seattle Passes Commercial Lease Legislation

Outgoing Councilmember Lewis passed legislation that would impose significant limits on personal guarantees and security deposits associated with commercial lease agreements.

While the bill applies only to commercial property, SKCR views it as an opener to commercial rent control and a reduction in property rights. We coordinated with CBA, BOMA, and NAOIP in opposition to the proposal.

Tukwila Categorical Exemptions/SEPA

The City of Tukwila is moving forward to implement changes to its SEPA environmental review process. According to city staff, the proposed changes are intended to streamline and update the permit process, reduce staff effort, reduce permit review times, and cut down on paperwork in a way that will provide a faster and more predictable experience for applicants, without changing the substantive outcomes regarding environmental protection.

the only significant piece of local environmental regulation. However, numerous subsequent regulations have been adopted that tend to make SEPA review superfluous, while also being time consuming and expensive. As a result, state law now allows cities to choose to bypass SEPA review in urban areas when other protective regulations are in place, such as critical areas, concurrency, traffic mitigation, and design standards.

When the State Environmental Policy Act (SEPA) was adopted in the early 1970s, it was

Accordingly, Tukwila is raising thresholds and limiting the application of SEPA to more impactful projects, as follows:

Project Type	Current City Threshold	Proposed City Threshold	Maximum Threshold Allowed by RCW
Single Family	9 units	30 units	30 units
Single Family less than 1,500 sf	9 units	30 units	100 units
Multi Family	9 units	200 units	200 units
Parking Lots	40 spaces	90 spaces	90 spaces
Landfill and Excavations	500 cubic yards	1,000 cubic yards	1,000 cubic yards

The objective is to have the same threshold of 30 single family units regardless of size. That is because Tukwila’s code does not distinguish between single family homes of different sizes. It is also unlikely the City would see a future subdivision of over 30 houses given the limited vacant land in Tukwila.

The elimination of SEPA review for projects beneath the new thresholds should have minimal or no impact to public review and commenting opportunities. Most of the projects that fall between the existing and proposed levels are either already exempt from noticing, or subject to noticing because they trigger land use approvals with independent notice requirements, such as design review.

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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 April 2024.