

WHAT ARE MY OPTIONS?

TOWNHOUSES

EXTERNAL ACCESSORY
DWELLING UNITS
Garage/Carriage

DUPLEXES TRIPLEXES FOURPLEXES
 FIVEPLEXES SIXPLEXES

LOT SPLITTING

+3 4 5 6

30TH ANNUAL

HOUSING ISSUES

BRIEFING

TUESDAY, JUNE 18TH

MEYDENBAUER CENTER
BELLEVUE

SCAN QR CODE
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CONSIDERATIONS FOR PROPERTY OWNERS

HOW MANY UNITS ARE YOU CONSIDERING?

Will you add units and keep your existing residence or redevelop the entire lot?

Will you rent the additional units or sell them?

WHAT IS YOUR PREFERRED FORM OF OWNERSHIP?

FEE SIMPLE

- Enables each tax lot can be owned, developed, and sold separately.
- Requires lot subdivision through Unit lot subdivision, standard subdivision, lot splitting.
- Financing — Conventional lending solutions are generally considered most desirable because of cost and rate, like Fannie Mae, Freddie Mac, FHA, VA or USDA loans.

Note that subdivision approval is separate from your development plan. If you plan on undertaking construction on any of the newly divided lots, you will need to get a separate construction permit for your project before you can begin.

CONDOMINIUM

- Enables the construction of multiple units on a small footprint as well as the ability to stack units vertically.
- Financing Condo financing requires another hurdle to be “warrantable” before it can be sold in the secondary market to the government programs like Fannie Mae, Freddie Mac. This requires a condo questionnaire to comply with guidelines, such as owner occupied sales being over 50%, single entity ownership limits, etc.

Thankfully new rules to address this by both Fannie Mae and Freddie Mac allow that once the property is a condominium, then it would be considered under the 2-4 unit project review type, which is the Waiver of Project Review guidelines for FNMA and Exempt from Review for FHLMC.

Note that creating condominium ownership involves several unique requirements including dedication of common areas, development of governing documents establishing the rights, responsibilities, and obligations of property owners, a homeowners association (HOA) or similar governing body, reserve fund planning, insurance coverage, compliance with Additional Laws.

ZONING & CODES

Local regulations dictate how middle housing gets implemented. Make sure you understand your options and responsibilities.

SEEK CONSULTATION

Professional legal, architectural, and financial consultation will be important to develop designs and determine feasibility of your project.

PERMITTING

Depending on the scope of the project, permitting could be as simple as getting one construction permit (ADUs), or starting with a land use permit to subdivide the parent lot and proceed with construction permits as necessary. Permitting takes time.

CONSTRUCTION

Once all necessary permits have been obtained, your contractor is free to break ground.

OBTAIN CERTIFICATE OF OCCUPANCY

Dwelling units cannot be occupied until they have cleared final inspections, and the county has issued a certificate of occupancy.

RENTAL CONSIDERATIONS

If you plan on renting out your new unit(s), ensure you understand local landlord tenant regulations.

INFRASTRUCTURE

Ensure your utilities (water, sewer, electricity) can support additional units.

CONSIDERATIONS FOR POLICY MAKERS

Generally, state legislation prohibits more restrictive development criteria for middle housing than what’s applicable to single-family homes. However, since middle housing intentionally increases development on lots, many single-family development standards, which may be reasonable for single family development, will inhibit the implementation of middle housing.

PARKING

Requiring even one parking space per unit will severely limit middle housing on most urban and suburban lots.

HEIGHT, SETBACK & OTHER DIMENSIONAL STANDARDS

Increasing allowable height and decreasing required setbacks will help facilitate development of multiple units per lot. Similarly, floor area ratio, lot coverage, and similar requirements for single family units, are not appropriate for middle housing.

FLEXIBLE STANDARDS

In developed areas, most middle housing will be built around existing single-family homes, rather than undeveloped sites. Local govt should build flexibility into setbacks and other dimensional standards to allow for creative middle housing development.

UTILITY STANDARDS

High cost of sewer and water main extensions, high hook-up fees, system charges based on the number of units served, and other utility service requirements will inhibit development of affordable middle housing.

TREE REGULATIONS

Mandating preservation of certain trees, or percentage of trees, will, for many lots, severely limit the area that can be developed for middle housing. Local jurisdictions should focus on planting trees in areas that will be compatible with and enhance new housing, rather than preservation of existing trees.

HOUSING ISSUES

BRIEFING

PROCESS REQUIREMENTS

The legislation limits ability of local jurisdictions to establish lengthy review processes for middle housing, local governments can and should modify permitting processes to facilitate middle housing. For example, they could create a set of pre-approved model plans for middle housing developments that are afforded expedited permit review.

BUILDING & OTHER TECHNICAL CODES

While preserving life and safety through building, fire, and other technical codes is paramount, local governments should review these codes to determine if all current requirements are appropriate and necessary for middle housing (particularly true for townhomes and clustered housing).

FORM OF OWNERSHIP

Fee simple ownership is a big deal, local jurisdictions should allow for subdivision where appropriate, including unit lot type subdivision, to facilitate true homeownership.

LANDLORD TENANT LAWS

The combination of tenant-friendly regulations with thinly stretched judicial systems makes it difficult for landlords to evict in many counties around the state, even when the tenant has not paid for several months or is otherwise in breach of their obligations, which cools homeowners’ desire to add additional housing onto their existing lots. Current lead times for a show cause hearing in King County ranges between 194-229 days. Allocating funding to support court staff and eviction proceedings would help alleviate this.

* Remember that HB1337 requires local governments to relax many of the restrictions on ADUs, this will inevitably and fundamentally change how ADUs get reviewed and approved.