

# Issues & Impacts

Seattle King County REALTORS® (SKCR) is working to ensure that public policies support homeownership and your business's bottom line. Please contact Governmental & Public Affairs Director David Crowell at [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com) with any local legislative issues that may need our attention. **The next issue will be released in October 2020.**

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## The COVID-19 Pandemic: Real Estate Update

### Re-opening the Real Estate Brokerage Industry:

Following the Governor's initial Stay Home - Stay Healthy emergency proclamation, Washington REALTORS® - with support from Seattle King County REALTORS® and other local REALTOR® Associations throughout Washington - led the industry's efforts in working with the Executive Branch of state government to craft safe practice protocols that could be put in place for residential real estate brokerage in order to allow REALTORS® to safely go back to work.

Initially, the Stay Home - Stay Healthy emergency proclamation issued by Governor Jay Inslee shut down the entire real estate brokerage industry in Washington state, and prohibited REALTORS® from engaging in the conduct of professional real estate brokerage activity. Among other things, this resulted in the NWMLS deactivating the open house function on its website in order to protect members, prospective buyers and sellers, and the general public.

The Association of REALTORS® worked with the Governor's Office to obtain multiple modifications of the emergency proclamation - including re-classifying professional residential real estate brokerage activity as an "essential" activity - which allowed for the residential real estate industry to serve clients and customers, subject to significant safe practice limitations.



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When a few brokers reportedly engaged in conduct outside the safe-practices framework, the REALTOR® Associations in Washington state, the Northwest Multiple Listing Service, and senior leaders in brokerage companies, responded immediately to underscore the importance of reigning-in conduct that threatened to un-wind the hard-earned opportunity for REALTORS® to go back to work.

The Governor's designation of professional residential real estate brokerage as an "essential" activity laid the groundwork for the Association of REALTORS® to obtain additional clarifications that include:

1. REALTORS® are allowed to meet face-to-face with buyers and sellers.
2. REALTORS® are allowed to preview properties, by appointment (with safe practice conditions that limit the number of people in the home at any one time, and require personal protection equipment).
3. REALTORS® are allowed to show properties, by appointment (with safe practice conditions that limit the number of people in the home at any one time, and require personal protection equipment).
4. County officials are allowed to "record" transactions on title as an "essential" activity. Without such authorization, closings would not occur because the interests of buyers and lenders could not be protected if the seller's deed and mortgage liens could not be recorded at the courthouse.
5. Property Inspectors are allowed to conduct residential real estate inspections, subject to safe-practice conditions.
6. Property Management activities by licensed professional property managers have been re-classified as "essential" and are now allowed for single and multi-family residential buildings (including apartment buildings), consistent with the scope of Governor Inslee's March 28th residential Real Estate services memo.  
  
Residential property managers must strictly comply with the requirements of the memo:
  - In-person meetings with tenants are prohibited except when necessary to view a property or sign necessary documents;
  - Any in-person viewing must be by appointment, and limited to no more than two people on-site; and
  - Social distancing requirements apply to those two on-site persons. Whenever possible, property managers must perform any services remotely.
7. Moving companies are allowed to move sellers out of, and buyers into, homes and condominiums in connection with real estate transactions, subject to safe practice conditions.
8. Property photographers are now allowed into listings to take pictures for marketing purposes, subject to safe practice conditions.

9. REALTORS® were supportive of successful efforts by sign companies to obtain “clarifications” from the Executive Branch that authorize individual sign companies to install signage necessary to market properties.

10. REALTORS® were also successful in obtaining “Phase 2” authorization from the Governor and the Executive Branch for:

- Two buyers (and their broker) being allowed to enter a home together when it is being shown to the buyers, and for
- Commercial real estate brokerage to operate under the same safe practice protocols that have been approved for the residential real estate brokerage industry.



In addition, as the real estate brokerage industry prepares for further lifting of restrictions under the Governor’s Phase 2 reopening of the economy, Seattle King County REALTORS® worked diligently to advocate for the Phase 1 restrictions throughout the entire four-county Central Puget Sound Region to be lifted at the same time, rather than delaying the lifting of restrictions in King County beyond what will be mandated for Pierce, Snohomish, and Kitsap counties. There are strong practical and policy reasons for doing so:

- Delaying the lifting of restrictions in King County would unnecessarily (and unreasonably) dampen Real Estate Excise Tax (REET) collections for the cities at a time the cities are already scrambling to try to figure out how they are going to deal with very significant shortfalls to their budgets. There are two aspects to those shortfalls: delays in collecting some revenues, and permanent loss of other revenues.

Cities are very concerned. For example, the Tukwila City Council has already had at least four city council meetings devoted to trying to figure out how they are going to deal with the growing hole in the city’s operating budget. In addition, Kent has already identified a \$15 Million shortfall.

Any additional delay in opening Phase 2 brokerage activity in King County would likely to be a source of additional concern for cities. That’s because during the 18 months of the Great Recession (from December 2007 to June 2009), the largest financial hit that cities in King County experienced was a loss of REET revenues, which blew a massive hole in city budgets.

Today, prices remain high. The number of transactions is down sharply, resulting in a continually escalating loss of REET revenues for cities in King County. Delaying the implementation of Phase 2 in King County will exacerbate that situation because it will make buying a home more difficult in King County than in neighboring jurisdictions. This could lead to a significant delay in the ability of King County’s 39 cities to rebound financially from the financial shortfall associated with the COVID-19 pandemic.



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- The current “two-person rule” for showing and previewing properties creates a greater health risk for the real estate brokers. Why? If the broker can only show the property to one person at a time, the length of time the broker must be inside the property doubles (compared to what it would be if the broker could show the house to both the spouses/partners/buyers at the same time).
- If the Phase 2 restart for real estate brokerage activity were to be delayed in King County, that could be damaging for housing affordability.



Median countywide housing prices in King County tend to be higher than prices in adjacent counties. So, if prospective buyers who are able to afford those higher King County prices don't want to be constrained by the more onerous hassles associated with Phase 1 limitations (such as spouses not being able to view homes together, and prohibitions on real estate offices reopening), they may decide to take their superior purchasing power into less costly markets where Phase 2 protocols are in place.

If they decide to purchase in Pierce, Kitsap or Snohomish counties, their presence in those markets will exacerbate the demand for units that are more affordable in outlying areas. That will not only drive up prices in those areas, it may also result in more affluent buyers consuming affordable housing opportunities that otherwise would have been available for less affluent buyers to purchase.

If those less affluent buyers end up being priced out of the ownership housing market and are forced to rent, the resulting “market compression” not only will drive up rents, it can exacerbate the housing challenges confronted by the most economically vulnerable renters.

Housing affordability will likely be harmed in a way that is entirely foreseeable. It's harm that would be avoidable if the Phase 2 reopening for real estate brokerage occurs simultaneously throughout all of the Central Puget Sound Region's four counties, instead of delaying the Phase 2 reopening in King County.

- There is a potential liability issue in connection with inspections (and perhaps appraisals) if the broker opens the house with a MLS key and then lets the inspector and the client go inside alone without the broker being in a position to have personal knowledge that neither of the two individuals in the house damaged the property, or committed theft.



While it is true that the broker is not in the house to supervise the adequacy of the work of the professional inspector or appraiser, that doesn't mean there is no risk of a claim if the broker opens the home with their MLS key but is absented from inside the home while an inspector is showing a buyer the maintenance and repair issues the inspector identifies inside the house.



- Delaying Phase 2 (and specifically, delaying the reopening of real estate offices, and the opportunity for brokers to meet with clients and customers in the office before going out to view properties that are for sale) extends the period of time the personal safety of brokers is at significant additional risk.

The still unsolved brutal murder of a Bellevue Windermere REALTOR® was responsible for both Seattle King County REALTORS® and the National Association of REALTORS® implementing a nationwide broker safety program. A centerpiece of the program's safety protocols requires that before a broker begins showing properties to a prospective buyer, the buyer must come to the real estate office

and provide a copy of their identification (which remains on file in the office). The safety protocol creates a disincentive for criminals to attempt to lure brokers to a listed property under the false pretense of being interested in purchasing the property, assault the broker (or worse), and then escape undetected.

Phase 2 reopening of real estate offices is an important action for minimizing the risk that real estate brokers may be assaulted, robbed, raped or murdered by criminals claiming to be a potential buyer – a risk that is far more common and concerning than many members of the public, including elected officials, understand.



### Restart of the Residential New Construction

The REALTORS® also worked with the Governor's office and other industry allies (including the Building Industry's Association of Washington, Masterbuilders and Associated General Contractors) to support the restart of the Residential New Home Construction Industry which produces new market-rate housing.

The Residential New Construction Industry had been shut down by the Governor's *Stay Home-Stay Healthy* order, except for construction activity funded in part by government subsidies, or that was necessary in order to prevent damage to projects that were already underway.



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The industry's efforts received a boost when nine Mayors in South King County sent the Governor a "Joint Letter" requesting that he re-open the Residential New Construction Industry. This action by the Mayors in South King County represented a qualitative change in the status of the issue because the private sector was no longer "flying solo" when the Mayors united and rose up to publicly advocate the Governor change direction in connection with the scope of his emergency proclamations that shutdown residential construction.

The joint letter was signed by Covington Mayor Jeff Wagner, Renton Mayor Armondo Pavone, Enumclaw Mayor Jan Molinaro, Tukwila Mayor Alan Ekberg, Burien Mayor Jimmy Matta, Pacific Mayor Leanne Guier, SeaTac Mayor Erin Sitterly and Black Diamond Mayor Carol Benson.

Read more at this link:

[https://www.kentreporter.com/business/nine-south-king-county-mayors-ask-inslee-to-reopen-construction-industry/?fbclid=IwAR17muEO66ttJL9L-Phb0sNwV5kTijBdfhi7UwFpblpRhFWKvS3Udxu\\_FE](https://www.kentreporter.com/business/nine-south-king-county-mayors-ask-inslee-to-reopen-construction-industry/?fbclid=IwAR17muEO66ttJL9L-Phb0sNwV5kTijBdfhi7UwFpblpRhFWKvS3Udxu_FE)

## 10 mayors from South King County ask Inslee to reopen construction industry

Take safeguards, but economy needs boost

By Steve Hunter

Thursday, April 23, 2020 7:34pm | BUSINESS



Kent Mayor Dana Ralph and nine other South King County mayors sent a letter Wednesday to Gov. Jay Inslee asking him to reopen construction of residential and commercial projects shut down because of the stay home order due to the COVID-19 pandemic.

"Reopening construction, even in phases, will ensure residential and commercial structures that were already underway can be completed," according to the letter

## Assistance for REALTORS®, Homeowners, Renters, and Small Businesses

The REALTORS® were also successful in advocating for Governor Inslee and the Executive Branch of the state to authorize the following REALTOR® proposals to help homeowners, renters, small businesses, and the economy during the COVID-19 emergency:

1. Penalty-free delay on property taxes due April 30, 2020. The penalty-free delay will ease the burden on homeowners and small businesses, which will benefit renters as well.
2. Directing the Department of Financial Institutions (DFI) to work with lenders to allow for delayed mortgage payments, and implement other measures to prevent foreclosures.
3. Accelerating the "effective date" of new legislation that authorized electronic *Remote Online Notarization* ("RON"), which will assist in closing real estate transactions, while also increasing social distancing. The acceleration of the "effective date" is achieved via emergency rule so that RCW 42.45.280 becomes effective immediately, instead of being delayed until October 1, 2020. The REALTORS® offered to coordinate with industry partners and the DFI on this issue.



4. Directing the Department of Licensing (DOL) to extend real estate licenses for all licensees who have not completed the required number of continuing education clock hours. Many REALTORS® rely on in-person learning which typically occurs in large groups. Those classes were banned by Executive Order, so it is appropriate for the Real Estate Commission within DOL to address this situation.



### Cities Extend Time Period in which Permits are Valid

When Governor Inslee imposed his *Stay Home - Stay Healthy* emergency proclamation that shut down the residential construction industry, it not only created problems for buyers, builders and brokers, it also affected cities in at least two different ways:

- City permitting and development departments have been stretched thin since the economy and development activity began rebounding from the Great Recession in June 2009. That situation could be exacerbated if development applications (which have already been reviewed and approved) end up expiring because of COVID-related delays. Such delays could not only require applicants to incur significant expense in preparing and submitting updated supportive materials and environmental or traffic studies, but also necessitate city staff having to re-do application and plan reviews.



- If permits expire and applicants elect not to proceed with (or to delay) the development, cities stand to lose additional plan review fees, construction inspection fees, impact fees, one-time property tax revenues associated with increasing the tax base, and Real Estate Excise Tax (REET) revenues if the property would have been sold once planning and/or construction was completed.

In response, cities have begun extending the amount of time permits are valid in order to avoid placing unnecessary strain on staff, while also helping to guard against potential revenue leakage that would occur if applicants choose not to move forward with the project, or alternatively elect to delay the project. One example of how cities have responded is available from Kent.

In Kent, Mayor Dana Ralph directed her Director of Economic and Community Development to use authority under Kent City Code sections 2.30.010 and .040, 12.01.185, 13.01.030 and 14.01.030 to universally extend all issued permits for an additional 180 days.

According to city spokesman Bailey Stober, the Mayor took the action “to give residential and commercial developers more time to navigate the challenges of COVID-19 as they continue development in the Kent



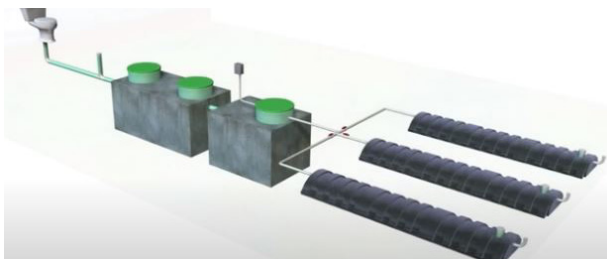


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community. By granting this extension, it allows construction projects to navigate the new realities of COVID19, without worrying about their permit expiring.”

“The Mayor wants to ensure that we protect workers, their health and safety, as well the integrity of construction projects in Kent. This will give developers the time they need to ensure they put proper precautions into place to protect workers. The Mayor also wants to ensure we continue quality development in Kent that will benefit our residents and businesses for decades to come. We believe this will help those projects continue moving forward,” said Stober.

At the end of the 180-day period, the Mayor and Director of Economic and Community Development will re-evaluate the situation and could extend the permit expiration date for projects.



*Screenshots of  
Septic Systems  
from Washington  
State Department  
of Health - [Septics  
101 video](#)*

## Department of Health Statements: COVID-19 & [On-site Sewage/Septic Systems](#)

On March 15, the Washington State Department of Health issued a statement that could be important for REALTORS® and homeowners involved with properties served by On-site Sewage Systems (OSS). It said:

“... the EPA expects that a properly managed onsite system will treat COVID-19 in the same manner it safely manages other viruses in wastewater.”

Ten days later, on March 25, the Washington State Department of Health issued an additional statement - which expressly and specifically mentions “sanitation” - that indicates Septic Sanitation Services are essential and should be available during the mandated ban on businesses:

“Governor Jay Inslee’s Proclamation 20-25 bans businesses from doing non-essential business. This is in effect from midnight on March 25, 2020 until midnight on April 6, 2020. The Appendix to Proclamation 20 - 25 labels the following workers as Essential under the “Emergency Services Sector” (page 3): Workers like plumbers, electricians, exterminators, and other service providers who maintain the safety, sanitation, and essential operation of homes.”

So, for REALTORS® listing or closing the sale of a home served by an OSS, or their clients who have had an OSS failure that creates unsanitary conditions, the statements by the state Department of Health may be of some value in obtaining access to septic services.



## King County's Actions Creating Concern in South King County

Some of the actions taken by the King County Executive, the King County Council, and Public Health Seattle-King County, have created concern in South King County.

### Kent



After the first case of COVID-19 was confirmed in King County on February 29, the County approved \$28.2 million to fund response measures that included:

- \$15 million to purchase and modify a motel in Kent to be used as an isolation - quarantine facility, and
- \$4.5 million for temporary staffing to manage the Kent motel.



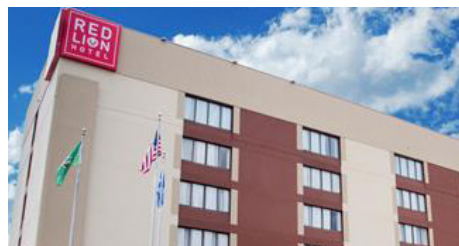
Kent Mayor Dana Ralph complained that the city had not been consulted, that the County was dumping its COVID-19 problems in less affluent areas of the county, and that health officials were failing to comply with city codes regarding what the City believed was a change of use for the property where the former motel is located. The city went to court to try to stop it, but it lost; the County's action was taken on the basis of a formally declared emergency.

County officials said that they were going to move Kirkland firefighters into the units, but that never happened. The City found out that the County had been focusing on acquiring the motel for months before COVID-19 was discovered in King County, and the city suspected COVID-19 was a convenient excuse offered up by the County to justify its actions. More recently, there have been reports that homeless individuals have been breaking into, and occupying, the units in the former motel.

The situation is particularly interesting because Mayor Dana Ralph is the current president of the Sound Cities Association (the former Suburban Cities Association) and the County chose to "roll" her by keeping her (and the Kent City Council) in the dark... which may have the potential to be somewhat problematic for the County's relationship with suburban cities going forward.

### Renton

There are also concerns in the city of Renton.



The city of Renton entered into an agreement with King County allowing the Red Lion Inn to be used for 90-days as a "de-intensification" shelter for homeless populations in an effort to reduce shelter concentrations and prevent the transmission of illness. The facility is located in the core of Downtown Renton along South Grady Way. It has been used by King County during the COVID-19 pandemic to house approximately 200 people, which is more than 300% of the number of homeless people typically counted in Renton.



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On May 5, Renton Mayor Armondo Pavone addressed the King County Council, expressing concerns about what is happening at the shelter. According to the city of Renton, the King County shelter at the Red Lion has seen a 79% increase in emergency calls for violence, drugs, littering and graffiti, defecation, and other inappropriate behavior. According to Fire Chief Rick Marshall, the Renton Regional Fire Authority (RFA) received just one call from the Red Lion Inn location in 2019. In just under a month since opening, the RFA has responded to more than 30 calls at the shelter.



Mayor Pavone also cited concerns regarding the County's apparent lack of an exit plan, and he requested the County honor the 90-day limitation agreed to by the County, stressing the importance of a firm July 9 closure date for the shelter.

The City's Chief Administrative Officer, Bob Harrison, said that in light of the enormity of the COVID-related impact the city has taken-on, "it's simply not fair to extend that obligation to our community for more than 90 days."

In addition, city officials have reportedly also requested a transportation plan to return residents to their shelter of origin once the 90 days are up, as well as additional security measures necessary to offset the increased service demand for police, fire and aid calls originating from the shelter.

The Red Lion Hotel in Renton is one of three "de-intensification" shelters established by the County. The other two are located in Bellevue and SeaTac, and together provide beds for nearly 400 people experiencing homelessness amid the COVID-19 pandemic.

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## Seattle Tenant Protections

The Seattle City Council has passed several tenant protection ordinances as emergency actions.

Seattle King County REALTORS® has raised repeated concerns that the mounting package of tenant bills under the banner of COVID-19 protections leaves landlords at growing risk; particularly small landlords with one to five units.

Absent a funding mechanism to compensate for lost rent to avoid eviction in the first place, rental housing owners who rely on monthly cash flow to meet monthly mortgage payments will be rendered financially vulnerable.



Seattle Apartments (Photo Courtesy of [RENTCafé](#))

Housing security will be diminished if small rental housing owners are thrust into mortgage delinquency and then foreclosure as a result of the proposed prohibition. This will further pare down the pool of rental housing owners in the city. These are the people who tend to value long-term tenancy over high rent. They work to keep their rents affordable. They need to be protected.

The Council's indifference to the economic vulnerability of landlords cannot be understated.

Seattle King County REALTORS® will coordinate with the Rental Housing Association of Washington as they explore legal remedies.



Here is a summary of the emergency measures passed by the Council:

### **Eviction Moratorium**

Council President M. Lorena González sponsored an extension of the eviction moratorium, which Governor Jay Inslee enacted and Mayor Jenny Durkan affirmed, another six months past its June 4 expiration date - to December 4. Coupled with prohibitions on winter evictions passed by the council earlier this year, tenants will not face eviction until March 2021.



*Council President M. Lorena González*

### **Eviction Defense**

Council President M. Lorena González sponsored a bill that offers tenants a legal defense for COVID-19 hardships.

Tenants must self-certify they have financial barriers and are unable to pay their rent to utilize this defense in eviction court; false certifications may be considered perjury and carry the corresponding legal consequences.

The defense can be used six months after the expiration of Mayor Durkan's moratorium. Currently, the Mayor's moratorium is currently set to expire on June 4, 2020.

### **Rent Payment Plans**

Council President González sponsored a bill that creates payment plans as an option for all tenants in Seattle:

- Tenants owing one month of back rent can pay back over three months;
- Tenants owing two months of back rent can pay back over five months;
- Tenants owing more than two months of back rent can pay back over six months.

Additionally, for a year after the civil emergency ends, no late fees, interest, or other charges related to late payments may be charged by the landlord.

Payment plans are valid during the civil emergency and for six months after it concludes; the prohibition on late fees is valid for 12 months after the civil emergency ends.

### **Eviction Lookbacks**

Councilmembers Morales and Sawant sponsored a bill that allows tenants to hide eviction filings that occurred after the moratorium on tenant screening reports and prohibits a landlord from denying tenancy to a prospective tenant

Evictions related to health and safety are exempt.





## Inventory

### LakePointe



Rendering of Lakepointe Community in Covington (Photo Courtesy of [OakPointe Communities](#))

As REALTORS® will recall, voters passed Initiative-976 (I-976) which was promoted as a \$30 car tab issue, but it also had far-reaching consequences for Transportation Improvement Plans (and Local Transportation Districts) in many King County cities - including Black Diamond, Burien, Covington, Des Moines, Enumclaw, Kenmore, Lake Forest Park, Maple Valley, Mercer Island, Normandy Park, Shoreline, and Snoqualmie - all of whom created Transportation Benefit Districts.

Litigation was filed challenging the initiative, but that was unsuccessful. Even so, implementation of the initiative was placed on hold by the trial court pending a review by the Washington State Supreme Court.

In response to passage of I-976, the Governor put a “hold” on all transportation projects that were not already underway. One of those that was about to move forward, but which had not yet commenced, was a new road to connect downtown Covington with the LakePointe project.

LakePointe is a Master Planned Community that at full buildout will include more than 1,500 new housing units, and more than 1.3 million square feet of new commercial space.

However, without the funding for the new connector road, the project was put on hold.

That funding was later restored, but now there is new uncertainty given:

- The growing COVID-related revenue shortfall in the state’s transportation budget, which is reportedly growing by \$100 million per month because people aren’t driving, resulting in gas tax collections that are far below forecasted levels,
- The Governor vetoed much of the funding that was approved by the legislature during the 2020 session, and
- The likelihood that significant additional reductions in the state budget will be required, which could be between \$7 and \$10 billion during the forthcoming budget planning cycle.



The uncertainty is not helpful in connection with bringing new inventory to the market.

204th Ave SE from SR 516 to SR 18 (press map for more information)

## Maple Valley



The City of  
**MAPLE VALLEY**  
Washington

Maple Valley's City Council has extended for six months (to July 6, 2020) the building and development moratorium it approved in July 2019 for the area known previously as "Downtown Maple Valley."

The moratorium prohibits the acceptance of all development permit applications (including, but not limited to, building permit applications and site development permit applications) affecting any portion of the property the City has identified as the intended location for a new downtown in Maple Valley.

The City Council has assembled a *Downtown Design Guidelines Committee* to review and recommend appropriate codes and standards for this new downtown area. The moratorium is intended to maintain the status quo until the City completes its plans for the area, including zoning and development code provisions to regulate new construction in order to ensure that new development will be consistent with the City's plans for the area.

## Enumclaw



Photo Courtesy of [Enumclaw Fire Department](#)

On the issue of inventory, it may be worth noting that even though the decision may not be especially good for affordable housing or housing ownership opportunities, the city of Enumclaw has amended its bed-and-breakfast ordinance to allow Short-Term Rentals in the city, even if the owner or operator does not reside in the city.

Under the ordinance (No. 267), Short-Term Rentals will be allowed, but only in the "Old Town Overlay" and:

- Will only be permitted to operate 80 days per calendar year, and
- Will be subject to a new licensing requirement and an administrative fee.

In addition, the owner or manager of the Short-Term Rental property must abide by the following:

- Must designate a property representative who lives in the city to respond to complaints within six hours (and that person's contact information must be on file at City Hall, and also provided to adjacent property owners);
- Short-term rental cannot be used for parties, meetings, concerts, fundraisers, etc.;
- There are limits regarding on-street parking;
- No signage is permitted;
- Disclosures are required to be posted inside the unit regarding the contact information for the in-city representative, as well as rules of conduct regarding occupancy, noise, parking, trash collection and storage, trespassing and disturbances;
- A Certificate of Insurance is required to be on-file at City Hall; and
- The license for the Short-Term Rental must be renewed every year.



Photo Courtesy  
of [City of  
Enumclaw](#)



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## Seattle King County REALTORS® Joins King County Urban Growth Capacity Study

Seattle King County REALTORS® is actively participating with a King County analysis of urban land supply. Our goal is to ensure that local jurisdictions adjust zoned capacity to accommodate growth. This means analyzing demand and available land supply city-by-city to determine if increased zoned capacity is needed. Upzones, while politically unpopular, are necessary to ensure an adequate supply of housing and comply with the Growth Management Act and a more balanced real estate market with opportunities for first-time buyers.

Formerly called the Buildable Lands Report, this year-long analysis of land capacity is required every eight years by the Growth Management Act (GMA).

The analysis is a review of actual development to determine if cities and counties have designated adequate amounts of residential, commercial, and industrial lands to meet the growth needs incorporated in their comprehensive plans and an analysis of lands available to meet residential and commercial growth moving forward.

Since the first report in 2002, Seattle King County REALTORS® has diligently advocated for and won improvements to the process to ensure local elected officials, taking votes on zoned density, have timely and thorough data about what's truly buildable matched with fresh data about demand for housing.

For many years, the analysis has been a highly academic process, with little ground-truthing and practical application. Progress has been slow, but sure. We have succeeded in requiring land capacity studies to be completed before adoption deadlines for comprehensive plans so that elected officials

have fresh data upon which to base zoning decisions. In addition, we succeeded in removing unbuildable parcels from the buildable capacity count. These included environmentally constrained lands and lands likely to be taken for public projects like Sound Transit.

The study just launched by King County includes a range of improvements that REALTORS® have successfully lobbied for in Olympia during several past sessions.

These include:

- Added triggers to ensure that cities meet their growth targets and planned densities;
- Additional documentation of assumptions (development regulations, permit and development timelines, market factors and infrastructure gaps).

We are hopeful that better data will lead to more housing targets for each city and increased housing supply (and enhanced business opportunities for real estate brokers) relative to demand.

## Issaquah Affordable Housing

In February, the Issaquah City Council voted unanimously to move forward with the Transit Oriented Development - Opportunity Center. Once completed, the project, located next to the Issaquah Transit Center, will provide approximately 175 units of affordable and workforce housing and 185 units of market rate housing. This is not a "done deal" since there are several key decisions yet to be made. However, the council sent a clear signal that it wants to pursue the project.





## **Sammamish Enters Moratorium ... Again**

In May, the city of Sammamish, again, passed a six-month moratorium on all land use, development, and building permit applications.

The Council took this action in response to an April decision by the Growth Management Hearings Board (GMHB) in the case of *Don Gerend v. City of Sammamish* in which the Board mandated the city resolve its outstanding growth and development questions and procedural issues regarding the city's prior amendments to its transportation concurrency and level of service standards.

The Council claimed it needs time to evaluate the questions raised by the GMHB.

Seattle King County REALTORS® has long urged the city of Sammamish to remove its many obstacles to growth including moratoria, transportation concurrency models, and level of service standards. Right now, there is confusion in the community with regards to development. We are asking that the City establish clarity about what projects are allowed and what are not. Can the single-family home to be built? Can a significant remodel be done?

Seattle King County REALTORS® is coordinating with the Master Builders Association to encourage the city to resolve these many growth issues.



## **Taxation**

### **Seattle King County REALTORS® Working with King County Assessor on Tax Relief**

Seattle King County REALTORS® leadership met with King County Assessor John Wilson to share REALTORS® perspectives on the market and explore strategies to offer property tax relief to property owners.

Seattle King County REALTORS® leadership discussed two tax relief strategies with the Assessor:

#### Government Restrictions Reducing Value - RCW 84-40-039

Current law allows property owners to petition the Assessor for a reduction in their property value due to a restriction by government. For many properties, government shut down orders have impacted value.

The King County Department of Assessments will develop a program to apply RCW 84-40-039 to the COVID-19 pandemic. Relief will be available for the 2021 tax cycle. The program will include:

- An online, electronic filing portal to file petitions;
- Formulas to apply value reductions for impacted commercial property sectors (such as restaurants, hotels, offices, and theaters).



*King County Assessor John Wilson at SKCR Government Affairs Meeting*



# Issues & Impacts

## Tax abatement after a disaster – RCW 84.70.010

Current law allows tax abatement relating to natural disasters such as flood and earthquakes, but does not consider a public health emergency or pandemic. The Assessor seeks an amendment to the RCW to reduce value and tax liability in the current year for COVID-19.

A special session of the State Legislature in the coming months would be necessary to secure relief in 2020.



## **Sawant-Morales Tax Amazon Payroll Tax Proposal is Paused**



This spring, a new version of the employer “head tax” (that was hastily revoked by the Seattle City Council in 2018) was introduced by Councilmembers Kshama Sawant and Tammy Morales. The new version is a payroll surcharge that would tax Amazon and approximately 800 other businesses.

After two Budget Committee hearings, the proposal was deemed out of compliance with the Open Public Meetings Act and the Governor’s proclamation directing that government legislation must relate to COVID-19 and be *Routine and Necessary*.

It is important to note that this is a pause in the legislation, not a withdrawal of the proposal.



Amazon warehouse (Photo courtesy of [Álvaro Ibáñez](#))

On a parallel course, Councilmembers Kshama Sawant and Tammy Morales are gathering signatures to place the measure before voters in the November General Election.

The proposal includes these the key points:

- Imposes a 1.3% tax on business payrolls of \$7 million or more annually;
- Expected to generate \$500 million annually;
- Proceeds would support emergency cash assistance payments in 2020. In 2021 and thereafter proceeds would support affordable housing and housing-related Green New Deal expenditures;
- Exempts federal and state government entities, nonprofit organizations, grocery stores, and businesses preempted from taxation by cities under federal or Washington State laws, and businesses with payrolls below the \$7 million threshold.

Seattle King County REALTORS® opposes the proposal. Now, more than ever, such proposals are counterproductive as we plan to help shuttered businesses recover from the coronavirus pandemic shutdown. Taxing

jobs results in fewer jobs. Fewer jobs result in fewer homebuyers and a weakened real estate market. By protecting jobs we will promote economic recovery.

“We oppose this new tax and any other obstacles to business recovery,” said Georgia Stevens, President of Seattle King County REALTORS®. “The timing and intent of this proposal couldn’t be more counterproductive.”

Seattle King County REALTORS® coordinated with the Seattle business community to stop the proposal and signed a letter drafted by the Downtown Seattle Association opposing the new tax. Both Associations are encouraging real estate brokers to sign a petition to the City Council expressing opposition to new business taxes.

Seattle King County REALTORS® will continue to work with the Seattle business community to stop this proposal and others like it which will harm the recovery of the city and region.

## Homeless Camping & Panhandling

### Local Governments’ Responses to *Martin v. City of Boise*

On September 28, the United States Court of Appeals for the Ninth Circuit ruled that enforcement (against homeless individuals) of local government ordinances that prohibit sleeping or camping on public property is unconstitutional when those homeless individuals do not have a meaningful alternative, such as shelter space or a legal place to camp.

The city of Boise appealed the Ninth Circuit’s decision to the United States Supreme Court by filing a Petition for Review. In December, the Supreme Court denied the city of Boise’s

Petition for Review, which means the decision is now fully binding on all cities in Washington, including all cities in King County.

As a result, cities in King County have been re-writing their ordinances in an effort to ensure that city code does not violate the Constitution in a way that would create financial liability for the local governments.



Photo courtesy  
of [David Lee](#)





# Issues & Impacts

## Burien

The city of Burien adopted a four-month pilot program that has now been made permanent:

- The City's Navigation Team (consisting of staff, police, and social service providers) maintains a list of local shelters that provide emergency housing for the homeless. The Navigation Team verifies availability of access to shelter space and/or a legal camping space at the time the Team engages someone in need.



- When the Navigation Team encounters people camping in public parks, they first try to offer services.
- The Burien Police Department takes steps to ensure that enclosed tents are not set up in parks.
- Individuals who have been asked to remove their tents and belongings will not be allowed to set-up camp in a different part of the park, or in a different park.
- People who remain in parks after closure (dusk) will be asked to voluntarily remove their belongings and leave. They will be provided information and transportation to available shelters. If shelter is available and they refuse to leave the park after park closure, they may be subject to arrest under sections 7.30.230 and 7.40.020 of the Burien Municipal Code.

## Seattle Expands Options for Tiny House Villages and Authorizes More Encampments in More Zones



On February 18, 2020, the Seattle City Council adopted an ordinance (126042) that significantly increases the number of encampments allowed in Seattle, and streamlines the processes by which encampments are approved.

*Photo featured above:  
Seattle Northlake Tiny House Village in 2019  
(Photo courtesy of Low-Income Housing Institute)*

Among other things, the city's ordinance:

- Exempts encampments on a religious organization's property from land use permitting requirements, and removes the requirement in city code that encampments must be accessory to an existing use;
- Modifies the requirement that transitional encampments be located at least one mile from any other authorized transitional encampment;
- Allows transitional encampments to be located in residential zones;
- Allows interim use permits for a period of up to one year in all zones, including residential zones, with unlimited renewals, subject however to compliance with applicable regulations; and
- Increases the city-wide limit on encampments from just 3 to 40.

### **City Panhandling Ordinances**

Cities in King County have been revising their panhandling ordinances in response to court decisions that protect the First Amendment Freedom of Speech Rights of panhandlers and beggars.

The cities are revising their codes because decisions by federal and state courts have held charitable appeals for money - including appeals in the form of begging and panhandling - are constitutionally protected as a form of Free Speech.

The situation arises when cities have regulations that target the "content" of speech (such as regulations prohibiting begging and appealing for money). The courts assume such content-based regulations are "unconstitutional content-based prior

restraints" on Freedom of Speech, and cities bear the burden of proving the courts' assumption is not correct. Cities and counties can be held financially liable for violating the First Amendment rights, including violations of Freedom of Speech.

One example of how cities are responding is available from Federal Way where Mayor Jim Ferrell and members of the City staff recommended the City Council revise portions of city code that regulate "pedestrian interference" in order to ensure city enforcement actions against beggars and panhandlers do not create financial liability for the city.

As a result, the city of Federal Way is removing from the city code all references to begging. Instead, the City will rely on language in other criminal code sections that address unlawful conduct, such as intimidation, threats, violence, unwanted touching, and trespassing. Otherwise, efforts to address such criminal conduct under anti-begging regulations may be thrown-out by the courts as unconstitutional.

City police officers and prosecutors will remain authorized to make arrests, (and file criminal charges) against persons for harassment, assault, and trespassing, without unconstitutionally constraining Free Speech.

These revisions by Federal Way will not eliminate portions of the city code prohibiting "pedestrian interference" that involves obstructing traffic on the roadway or sidewalk. Charging a person with such interference does not necessitate making reference to the constitutionally-protected act of begging for money.





# Issues & Impacts

## Transportation Concurrency

### City of SeaTac

Washington's Growth Management Act (GMA) requires cities to have a Transportation Concurrency Program.

Before a city can approve any new development, the city must be in a position to demonstrate that adequate transportation facilities are in-place to serve the new development, or that the transportation facilities will be in place within six years.

The city of SeaTac has been working since 2017 to implement a concurrency program, and on January 28, the City Council approved an ordinance establishing a Transportation Concurrency Program for the city.

Then, the City recognized and acknowledged that it would need applicants to fill out a "Concurrency Application" form that would need to be reviewed by the city staff, but the City had not budgeted money to pay for the review of those applications.

So, the City recently amended its fee schedule to include a new \$107.50 fee to cover the cost of staff time associated with performing the intake and review of the City's new "Concurrency Application" for proposed new developments, including new residential construction in the city.



(Photo courtesy of [Steve Morgan](#))

## Environment

### Howard Hanson Dam: Construction of "Fish Passage" Project

Washington state's congressional delegation has come together in a bipartisan effort to ask the Corps of Engineers and the federal government's Office of Management and Budget (OMB) to give priority to 2020 funding for a project to provide fish passage around the Howard Hanson Dam (the same dam that was the source of flooding concerns in South King County a few years ago).



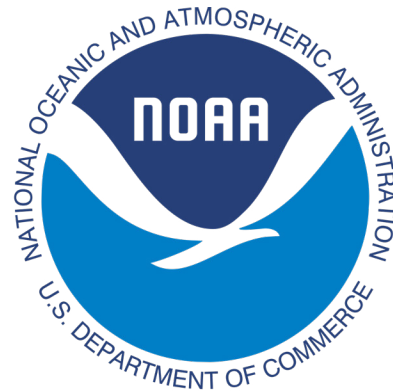
(Photo courtesy of [Auburn Reporter](#))



A 2019 Biological Opinion (BiOp) issued by the National Oceanic and Atmospheric Administration (NOAA) reported that the construction of a fish passage facility at the Howard Hanson Dam on the Green/Duwamish River is necessary for the recovery of salmon and steelhead stocks, and also for the recovery of Southern resident orcas.

According to NOAA, completing the fish passage project would re-open at least 60 miles of prime salmon and steelhead habitat above the Howard Hanson Dam, nearly doubling the amount of habitat currently available.

The State's congressional delegation is seeking the federal funding this year that is needed to complete the design and cost estimating phase of the project.



## Protecting Your Business

### Elections in 2020

Laws govern the way in which you conduct your business and affect your bottom line. Laws are made by elected officials. This year, elections will be conducted for the state legislature and U.S. Congress. The primary election is on **August 4**, and the general election is on **November 3**.

REALTORS® don't just sell homes. We sell neighborhoods and Quality of Life.

REALTORS® know that Quality of Life begins with a good job in a company that has a great future. Homes are where those jobs go at night. That's why it's so important to have elected officials who understand the key contribution that jobs and housing make to healthy, vibrant communities.

We need elected officials who share our REALTOR® values, and who appreciate the hard work you do as a real estate professional. So, members of the Association reviewed voting records of elected officials. It's why

your REALTOR® colleagues conducted candidate endorsement interviews with candidates running for office.

This year, Seattle King County REALTORS® will work to protect and enhance your business by reviewing voting records of incumbents, conducting candidate endorsement interviews, and supporting candidates for the state legislature and congress who share our REALTOR® values. Our primary election voting guide will be posted online in July.





# Issues & Impacts

## REALTORS® Political Action Committee (RPAC)



### NEW! An Easy, Quick Way to Protect Your Business - REALTOR® PAC ONLINE

Introducing a new secure, online REALTOR® PAC (RPAC) investment site making it easier than ever for busy REALTORS® to protect their business. We can't all go to Washington D.C., the state Capital, or even our City Halls while government leaders are making decisions that affect our industry; but while we are busy, REALTOR® PAC can fight for us and for our clients. Please make an investment of **\$50, \$100, or \$500** to ensure that when government acts, there is no harm to real estate, no new taxes, and no added unnecessary complications to the real estate transaction.

[www.warealtor.org/government-affairs-main/rpac](http://www.warealtor.org/government-affairs-main/rpac)

So far in 2020, Seattle King County REALTORS® has raised **over \$242,000** for the REALTORS® PAC.

Please invest in RPAC at [www.warealtor.org/government-affairs-main/rpac](http://www.warealtor.org/government-affairs-main/rpac).

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Issues & Impacts is a quarterly publication produced by Seattle King County REALTORS® to inform members about current issues and successes within your Governmental Affairs Department.

We will release our next publication in October 2020.

Our **2020 VP of Governmental & Public Affairs** is **Dahni Malgarini-Logar** - [dahnim@dahnim.com](mailto:dahnim@dahnim.com)

Our **VP-elect of Governmental & Public Affairs** is **Eddie Chang** - [eddie.chang@rsir.com](mailto:eddie.chang@rsir.com)

Our **Staff Director** is **David Crowell** - [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com)

Our **Local Legislative Housing Advocates** are **Sam Pace** - [sam@sampace.com](mailto:sam@sampace.com)

& **Randy Bannecker** - [randy@bannecker.com](mailto:randy@bannecker.com)

Please call David at 425.974.1011 ext. 704 if there are any local legislative issues that need our attention.