

# Issues & Impacts

Seattle King County REALTORS® is working to ensure that public policies support homeownership and your business's bottom line. Contact Governmental & Public Affairs Director David Crowell, [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com), with any local legislative issues that may need our attention. **The next issue will be released in December 2016.**

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## Seattle King County REALTORS® Urges Housing Supply in Seattle Comprehensive Plan Update

As Seattle is updating its Comprehensive Plan, SKCR is calling upon the city to take courageous strides to increase zoned density in appropriate areas, thereby enabling an increase in housing supply at all price points.

Housing policy is a key component to the plan. In Seattle, the urban village strategy aims to:

- Direct growth to existing urban centers and villages
- Contribute to the vibrancy of our neighborhood centers
- Reinforce the benefits of City investments in transit, parks, utilities, community centers, and other infrastructures

While these policies have been in place for many years, zoning for adequate housing supply relative to demand has remained elusive due to neighborhood opposition and inaccurate demand forecasts.

By emphasizing the real time demand for housing and need for immediate action, SKCR is working to link the goals expressed in the Comprehensive Plan to the land use planning related to the HALA process to speed the process.

The Planning Land Use and Zoning Committee review will continue through September.



## Seattle Passes HALA Framework Legislation

In August, the City Council approved framework legislation that would require residential developers provide for affordable housing by either including it in their development or paying into a fund used to support the development of affordable housing in Seattle. The requirement will apply only after Council adopts future zoning changes, scheduled for Council consideration at the end of 2016/early 2017.

Under the program, if residential developers create rental housing, a select number of units must be made affordable to households earning up to 60% of Area Median Income (AMI), or \$43,380 annually for a 2-person household. If developers create housing for homeownership, a select number of units must be made affordable to households earning up to 80% of AMI, or \$55,450 annually for a 2-person household. The number of required affordable units would be established by future legislation, as would the required amount of funds to be alternatively paid into an affordable housing development fund.

The Committee also adopted a series of amendments, including prioritizing that projects using the affordable housing development fund are developed near the projects that paid into the fund; that housing units be kept affordable for a term of 75 years; that when an affordable rental unit is converted to an ownership unit, the existing tenant has a right of first offer; and that accountability requirements be imposed to ensure that projects remain affordable. Additionally, Councilmembers took steps to address the risk of displacing low-income populations from Seattle.



While not perfect, this framework legislation is part of the critical path to the upzones scheduled for debate at the end of 2016/early-2017. These upzones are intended to enable the building of 30,000 market rate units and 20,000 income-qualified units during the next 10 years.

## Growth plans must be aligned with market realities

Current methods for incorporating growth in the region may need to be reexamined, suggested leaders from three real estate organizations.

**“Our regional planning efforts ignore the fact that the market still demands additional construction of a variety of housing types, from dense mixed-use developments to single-family homes,” agreed Shannon Affholter, Russ Hokanson and Peter Orser.**

In a guest opinion piece published by *The Seattle Times*, the trio said the Puget Sound Regional Council’s recent rejection of five cities’ comprehensive plans “on the premise they are accepting too many



Image Credit: Seattle Times

residents suggest we may need a reality check on how our region manages growth.”

[In the guest commentary](#), the co-authors raised several questions about the planning process, and whether the original purpose of Washington’s Growth Management

Act is working as intended.

Affholter is executive director of the Master Builders Association of King and Snohomish Counties, Hokanson is CEO of Seattle King County REALTORS®, and Orser served as the director of the Runstad Center for Real Estate Studies at the University of Washington.

## **Auburn: City Council Change to Permitting Process will bring New Housing to the Market 3 months sooner! REALTORS® and Masterbuilders advocated for the change**

The City of Auburn continues to be on the cutting edge of changes that improve access to housing for working families. The most recent example involves a change in permit processing for subdivision plans that will trim up to three months off the amount of time it takes to get keys into the hands of buyers and renters.

With the on-going *Housing Supply Crisis* continuing to make life difficult for families who need a place to live, getting more housing units to the market sooner is a big deal, not just for REALTORS®, but also buyers and renters.

The change the City of Auburn is making involves the process for evaluating “Civil Plans” for subdivisions. It’s not a sexy topic, but it represents real progress that will make an important difference. Subdivisions are reviewed in three general phases:

- (1) Preliminary Plat Approval
- (2) Civil Plan Review (followed by construction of permitted civil improvements), and
- (3) Final Plat Approval (followed by building permits and construction of new homes)

According to Kevin Snyder, Director of Community Development & Public Works, the City code previously required that an applicant wait until they had received Preliminary Plat Approval before they were allowed to submit plans (called “Civil Plans”) for the construction of the infrastructure that will serve the new housing. This created a delay while applicants waited to submit their civil plan application to the City for review.

Instead of being required to wait until the applicant has received “preliminary plat approval,” city staff will be able to accept the civil plans sooner. A minimum 4 week time savings is realized because a staff recommendation is issued approximately 2 weeks before the Hearing Examiner conducts a hearing on the preliminary plat, and the Hearing

Examiner’s decision is generally rendered 2 weeks after the hearing.

An additional 8 weeks of time savings will be realized for some projects that are appealed, or where a request for reconsideration is submitted to the Hearing Examiner in instances where further clarification of the Examiner’s decision is needed.

Besides allowing for earlier submittal of civil plan applications, the code amendments also include language that is intended to ensure that an early submittal does not equate to a “vesting” of development rights. That’s important because it preserves the substantive requirements for subdivisions that developers must meet while still making the permitting process more efficient.

The vesting of rights is still conditioned upon the Hearing Examiner’s decision. So in the event the Hearing Examiner modifies the staff recommendation, it is the Hearing Examiner’s decision that must be adhered to, not the staff recommendation. Same standards, but a faster process.

Given the staff and Examiner may disagree, the ordinance contains notice to applicants that there is a modest amount of risk assumed by the applicant if they choose to submit early. It is important to ensure that the applicant is aware that they are taking some risk, and that they agree they will not hold the City liable in the event they have submitted an early civil application and the Hearing Examiner modifies the staff recommendation (which could then result in the applicant having to modify the civil design that was submitted before preliminary plat approval). The upside, however, is that homebuilders should be able to bring new housing units to the market at least a month sooner, and in some cases three months sooner. The ordinance approved by the City Council is #6611.



## Seattle King County REALTORS® Seeks Protection of Home Owners in Seattle Short Term Rental Regulations

The City of Seattle is developing regulations for short term rental housing. A short term rental is any booked stay of fewer than 30 consecutive nights. Stays of 30 days or longer are not subject to regulation under this proposal. The City's goal is to *balance the economic opportunity created by short term rentals with the need to maintain supply of long-term rental housing stock available at a range of prices*. Many short term rental operators use websites like Airbnb or VRBO to manage their bookings.

SKCR is urging the City to protect the economic opportunity of the individual homeowner by

allowing short term rental of accessory dwelling units

with minimal regulation. The City's regulatory focus is more appropriately placed on commercial operators of short term rentals who control a multitude of units. The business model of these operators is more akin to a hotel or motel, currently subject to a set of regulations and zoning codes. The legislation is being debated in Councilmember Tim Burgess' Affordable Housing, Neighborhoods & Finance Committee. A council vote is expected later this fall.



## Mercer Island Council Completes Town Center Visioning Process with Approval of Updated Development Code

In June, the Mercer Island City Council voted 4-2 to approve an updated ordinance guiding development in the Island's Town Center business district. The passage of Ordinance 16C-06 (available [here](#)) represents the culmination of more than two years of work by community members, elected officials, City staff, and consultants.

The process was one of the most lengthy public engagement efforts ever undertaken by the City and Islanders were able to take advantage of more opportunities for community input than any other policy update in recent memory. By refreshing the 20-year vision for Town Center, the updated ordinance strikes a compromise that helps maintain a high quality of life for all Islanders, while preparing for changes coming to the region.

Following an extensive comment period this spring, including a formal public hearing on May 9, 2016, the Council then began its deliberations which

concluded with its recent June 6 meeting. The new ordinance replaces the previous 20-year vision for Town Center, adopted in 1994, and also signals the end of a development moratorium (scheduled to end June 20) that temporarily prohibited the submission of applications for most commercial building permits in Town Center while new rules were drafted.

"This isn't going to change Town Center overnight, but as time passes, we'll start to see the components that mattered most to the stakeholders who weighed in during this process," said Mayor Bassett. "These include: lower building heights in some blocks; larger, more-accessible open spaces; additional daylight at street level; larger sidewalks; and other mandatory public amenities."

SKCR encouraged the City to avoid moratoriums and maximize development opportunities in the Town Center zone, with particular emphasis

on residential. Ultimately, the City passed a compromise, with the following major components:

- Lower building height limits throughout the Town Center area
- New open space, affordability and architectural requirements for buildings over 2 stories tall
- New architectural standards, including upper floor step backs to reduce large vertical surfaces
- Concentrating retail north of SE 29th Street by eliminating ground floor retail requirements in other areas of Town Center
- New Green Building requirements
- Enhanced public open space requirements
- Better defined mid-block pedestrian connections
- Street frontage use and improvement standards

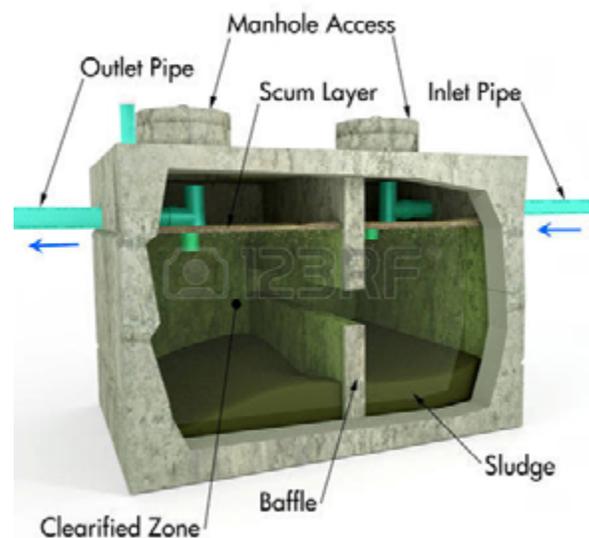
## REALTORS® and Rural Residents Fight Against New Annual Septic Fee - King County and the Board of Health Back Down...For Now, But It's Far From Over

Fecal bacteria have been detected in Puget Sound. In response, *Public Health – Seattle & King County* began an effort to respond to the issue by imposing a new annual fee on the owners of on-site septic systems.

Problem is, the elected officials and bureaucrats proposing the fee didn't have any good answers, or good data, for the thoughtful and penetrating questions from REALTORS® and rural residents who responded en-mass and forced officials at King County to back down...at least for now.

The following are just some of the problems highlighted by REALTORS®, rural property owners and elected officials who know a thing or two about septic systems:

- There is no credible data to indicate the on-site privately owned septic tanks in King County are the source of, or even a significant contributor to, the fecal bacteria in Puget Sound. In fact, recent data from just one of the two sewer plants in King County indicated that sewer system overflow events – not septic systems – dumped more than one billion gallons of sewage into the Puget Sound in a single year.



That's enough sewage to fill both of the Ballard Navigation Locks 26' deep with sewage more than 70 times, and then flush it into Puget Sound.

- The EPA has indicated that years of scientific studies demonstrate on-site septic systems are far better for the environment than sewer systems: they provide groundwater recharge, they don't move groundwater out of the basin of origin, failed systems tend to be

minor events, and because of the affect of a system failure on the property’s residents such events are cleaned up quickly with minor environmental impact.

- The proposal is not about actually addressing fecal bacteria in Puget Sound. A huge percentage of the funds the proposal would have raised would be used to hire office staff, and the number of inspectors would be woefully insufficient to implement the program. For that reason, some members of a Stakeholder Group assembled by *Public Health* said the \$40 fee would likely balloon to \$300 - \$400 per year, per system.
- As Shane Davies, REALTOR® Vice President of Government Affairs, explained to a crowd of more than 700 that came together in Maple Valley in opposition to the proposal: This is not a fee, it’s just another tax! It’s a revenue grab!



- The proposal – referred to by opponents as the “turd tax” and the “poop tax” - would likely face considerable legal challenges, in part because the County would require property owners to allow County surrogates to enter private property to conduct inspections/searches without reasonable suspicion, or probable cause, or a warrant for doing so.
- The County said it would use the money to clean-up failing systems. That’s a little bit like asking everyone in the community to pay to repair your car if it fails an emissions test.

So, faced with too many experts that knew more about the issue than either the Board of Health or *Public Health – Seattle & King County*, and unable to produce data to defend its position when requested to so under the State’s Public Records Act, the County backed down.

But the battle is far from over. Proponents have indicated they will ask the legislature to authorize the fee in the 18 counties where the Puget Sound Partnership – a government non-regulatory agency – is active.

According to Lynn Thompson of the *Seattle Times*, in February the Board of Health directed Public Health to convene a work group. A committee made up of residents, business, environmental, government and tribal representatives met for the first time in March and began to make recommendations about improved customer service and technical assistance to septic-system owners and improved record-keeping of inspections and system certifications.

But according to King County Councilmember Rod Dembowski who chairs the Board of Health, the Committee wasn’t even asked about the fee proposal. In fact, Dembowski said he only learned about the existence of the Stakeholder Group when two committee members testified before the Board of Health in May in opposition to the plan. One of those two individuals was attorney David Crowell, Director of Governmental and Public Affairs for Seattle King County REALTORS®.



Rod Dembowski



David Crowell

## SeaTac: City Commits Fraud, Unconstitutional Taking of Private Property - Gets Hit With Huge Verdict and Unprecedented Rebuke from King County Judge Robert McDermott

The actions of SeaTac City staff and City Councilmembers that came to light in a recently concluded trial in King County Superior Court almost defy description: Incredible. Outrageous. Corrupt. Illegal. Whatever words you choose, the unlawful actions of the SeaTac city staff and councilmembers resulted in one of the largest verdicts (maybe THE largest verdict) against a city in Washington State history for fraud and unconstitutional takings of private property: **\$18,306,810.02**.

K&S Developments LLC – a company owned by Gerry and Kathy Kingen (who are also the owners of Salty’s Restaurants and founders of Red Robin Restaurants) – owned a large commercial property known as the “SeaTac Center” adjacent to the Sound Transit Light Rail Station at SeaTac International Airport in the City of SeaTac.

Gerry and Kathy wanted to build a 1,200-stall park-and-fly parking garage on the property. In March 2004 they initiated the pre-application process to obtain City of SeaTac approval for the development project. The City said it was “fully” supportive, and there was no opposition to the proposal.

But in 2005 some City of SeaTac employees (which, according to King County Superior Court Judge Robert McDermott, included the then City Manager, Planning Director and others) decided they did not want K&S to be allowed to build the parking garage, in part because it would compete with a different parking garage the City wanted to build in the vicinity of the airport, and because it would drive up real estate values and thereby hinder the construction of other development desired by city officials.

In 2006 the City Council adopted a moratorium to prevent K&S from being able to obtain legally

vested rights approving the development of the parking garage. Meanwhile, the City strung-out K&S with the prospect of a development agreement that would have allowed the parking garage to be built notwithstanding the moratorium. It was a tactic that had the effect of eliminating Kingen’s right to appeal the moratorium.

Because of the City’s self-dealing, and undisclosed staff efforts to thwart and block the K&S parking garage, the development approvals never materialized and the project was never approved by the City Council.

In 2007 the City Council refused to approve the project and instead suggested K&S continue to work with city staff on some other kinds of development proposals. One Councilmember (the former Mayor) reportedly testified at his deposition - but failed to appear at trial, even though he was under subpoena - that he preferred high priced condos on the Kingen’s property to drive Somali residents from the area.

As a result of the City’s duplicitous actions and the unfolding recession, K&S was prevented from developing the property, or securing conventional financing necessary to retain or develop the property, and the Kingens defaulted on their loans. When the City learned of K&S’s default the City secretly retained a commercial real estate broker to exploit K&S’s financial circumstances. The City secretly gained control of the loans that were in default and directed its broker to force K&S to deed the property to the City under duress and threat of personal bankruptcy. The City obtained deeds-in-lieu of foreclosure that gave the City ownership of the Kingen’s property on December 24, 2009, at a deep discount. But the City did so without disclosing the City was the real party in interest, or



that the City was the phantom buyer that intended to be the future owner of K&S's property.

It was only after the City appeared on title as the new owner of the Kingen's former property that Kingens learned the City was the phantom buyer that had schemed to take their property.

In an attempt to understand what the City had been doing, Gerry and Kathy Kingen filed public records requests with the City in February 2010. The City took over a year to complete delivery of the records it produced for K&S. However, the *Findings of Fact* that Judge McDermott entered in subsequent litigation state:

*"As it turned out, the City also failed to produce many of the more important, relevant and responsive public records required under the Public Records Act. K&S proved that many of the most incriminating public records that were not produced in response to K&S public records request and ultimately obtained from other sources and not from the City."*

The Court's *Findings of Fact* include examples such as a 2007 document reflecting the City's specific plans to acquire the Kingen's property, and PowerPoint presentations reflecting the disparate treatment received by Kingens.

Ten years after they began the efforts to develop their property, and after expending \$1.8+ million dollars of personal funds for attorney fees to pursue justice, Gerry and Kathy Kingen received a jury verdict that the City of SeaTac had committed fraud. Judgment was also entered against



Gerry & Kathy Kingen

the City for unconstitutional takings of private property, and for damages due in connection with a promissory estoppel claim.

In July of this year, King County Superior Court Judge Richard F. McDermott concluded the trial court's legal proceeding with the following remarks:



Judge  
Richard McDermott

*"A government entity owes a duty of honesty and transparency to those people to whom they deal with. It doesn't matter who those people are. It doesn't matter whether they like those people or they don't like those people. Governments are in unique positions.*

*There is a Public Disclosure Act. There are all kinds of cases in this state which uniformly say that governments have to be open, honest, and straightforward in their dealings with everybody because that's their job. They're supposed to represent us. It doesn't matter whether it's the City of Tukwila, or the City of SeaTac, or the County of King or the State of Washington. They represent us. And because of that, they have a duty of honesty and transparency.*

*The City violated that duty so many times I've lost count, and it is not -- it is -- it's amazing. Quite frankly, the actions of the City of SeaTac in this case are unexplainable and totally unacceptable. The period of deception even lasted through their answer in the public records -- for the public records, for the disclosure. And so the plaintiff had to go about getting those records and had to spend more time and effort and money to get those records than they ever should have had to.*

*Why? Well, the City obviously had something to hide. So I find -- as someone who works for the government, I find this to be the worst thing about this case is the actions of the City and how dishonest they were, and I find that to be completely and totally unacceptable."*

*"I also want to make sure that there is no mistake on the part of the defendants or the plaintiff that the City engaged in a pattern of deception that lasted years, and because of that, the Kingen's damages are not just limited to losing the property..." (pg. 45 Hearing Transcript, K&S vs. City of SeaTac, July 8, 2016)*

*"...the City Attorney's Office participated in this profound and unacceptable pattern of deception. That violates the rules of professional conduct. That is totally and completely unacceptable to this court... I have never filed a complaint against a lawyer, but I would seriously recommend that you take some advantage to do that, counsel, because that can't be allowed to exist." (pg. 49 Hearing Transcript, K&S vs. City of SeaTac, July 8, 2016)*

It's important that through the efforts of Gerry and Kathy Kingen there is some measure of accountability...and public disclosure...of the SeaTac violations of state law. Kingens are gratified by the jury verdict, and the Court's action. But there is no joy in city corruption that lasts so long, costs so much, injures so savagely, and harms so deeply.

It likely would have crushed folks who are less financially, and emotionally, capable of sustaining such an effort to secure justice. Even when members of the public have the financial capacity to deal with the litigation, it still takes a HUGE emotional toll that too often is much more devastating than the financial expense. No person should ever have to shoulder such a burden as the

result of dishonest actions by people at city hall who were invested with the public trust and the government's power.

Government possess a number of powers: the power to levy taxes, the power of eminent domain...and the power which was used by city hall in connection with Gerry and Kathy's development application: the Police Power.

SeaTac used the Police Power... (the same Police Power that allows cops to carry guns to protect innocent citizens, and to regulate development to protect public safety and the welfare of the community)... to steal, to deceive, and to take what did not belong to either the staff or the City.

The SeaTac City Attorney's response to the situation was to propose a new Code of Ethics for City Councilmembers. Fraud, illegal takings and targeting people based on their national origin are ALREADY illegal. The staff, the city attorney's office and the city councilmembers don't need a new Code of Ethics.

Instead, they only need to decide that:  
The difference between right and wrong matters...  
The difference between legal and illegal matters...  
The difference between honest and dishonest matters...  
The core government responsibility of Openness and Transparency matters...  
...And then act accordingly.

That is never too much to ask of the people we invest with the public's trust and the government's power.

## **Federal Way: City Council Passes Emergency Six-Month Moratorium on the Development of New Apartment Complexes after Three Murders In The City**

In the wake of three murders in the City in less than two days, the Federal Way City Council passed a temporary ban on the development of new

apartment complexes. The vote was 5-2 vote with Council members Dini Duclos and Martin Moore voting no.



The vote on the moratorium followed an earlier emergency City Council meeting that was called to address community concerns about public safety on the heels of the three murders. At that earlier meeting residents questioned the presence of multi-family and affordable housing in the city, and whether or not crime was related to the increase in such housing. Other members of the community spoke out to defend families who receive Section 8 housing subsidies and families who live in apartments.

The six-month moratorium prevents the creation, or the expansion, of multi-family housing in Federal Way. The ordinance (Council Bill No. 708) was not included on the Council's published meeting agenda. Instead, the Council placed the proposal on the agenda during the council meeting, and allowed it to be enacted immediately if approved by five councilmembers. The action by-passed the typical process that requires two meetings for an ordinance to be approved.

Multi-family housing is currently allowed in six zoning districts in the City, most notably the *Commercial Enterprise, City Center Core and City Center Frame* zoning districts. The moratorium prevents all new multi-family housing applications from being accepted by the City over the next six months so that city staff can evaluate where multi-family housing should be allowed in the City.



Dini Duclos

Councilmember Dini Duclos, who has a long history as a strong housing advocate in the city said, "It just strikes me as strange that we're doing this right after we've had some pretty serious crime in the city, and I hope it's not reflective that multi-family housing is the basis for those crimes."

Mayor Jim Ferrell discounted the notion that the moratorium was in response to the murders and

indicated it was more about the disproportionate impact of population growth on schools.

Kelly Rider, who is the Government Relations & Policy Director for the Housing Development Consortium, told Councilmembers about the people in the City who are struggling to cope with the housing supply crisis: "We know, right now, that 7,000 Federal Way households are paying over half of their income for their housing costs, placing them just one crisis away from homelessness."



Kelly Rider

"We know that 236 students in the Federal Way school district are struggling with homelessness or living with families and friends, waiting for an affordable place so that they can have a home, and we know that 263 individuals were without shelter in the most recent One Night Count."

Ryder said that adopting the moratorium would send them the message that "housing options for them are causing a safety problem, or that they are to blame."

**"We know, actually, in study after study it has been proven that affordable and multi-family housing is in no way connected to, or increases, or results in, crime. But we know that when people's needs are met – they're safe and warm, and their stress is reduced – they will, in fact, be less likely to have crime," said Ryder.**

According to City Councilmember Kelly Maloney, information provided by the city staff indicates that 43% of the City's total housing is multi-family units, and 16% percent is considered affordable. By comparison, she said, 15% of Kent's housing is affordable, Issaquah has 11%, Des Moines and Bellevue have 10%, Renton and Redmond have 9%, Burien and Tukwila have 6%, and Kirkland has 5%.

## REALTORS® Partner with Kent Chamber of Commerce to ensure City of Kent B&O Tax Funds are not Diverted Away From City Transportation Priorities

The City of Kent's B&O tax – which is assessed against REALTOR® commission income – was adopted by the City Council two years ago based upon the City's assertions that key roadways were declining because of commercial traffic. The City said that without a new B&O tax on businesses, repair of the roads would continue to be deferred, that roads repairs would become more expensive, and this could eventually lead to an entire road replacement. The City said the situation was so dire it was even looking at closing down key roads needed by businesses.

However, because the City was hemorrhaging money to keep-up with debt payments due on the City's Showare Convention and Hockey facility in downtown, the city council passed an ordinance that diverted portions of the B&O tax collections away from the urgent transportation projects the city promised the funds would be used for. Instead, over a two-year period, B&O tax collections above \$5.4 million (representing \$700K for staff costs to administer the B&O tax program, plus \$4.7 million for roads) was diverted to Showare Center debt service. In 2015 the City's debt payment situation was resolved.

But now, in 2016, B&O tax funds are again being diverted away from street projects, and instead being used for city expenditures that have nothing to do with the city's crumbling roads, which the B&O Tax was intended to address. Having developed an appetite for diverting B&O tax revenues away from urgent transportation projects, the City is now reportedly considering using B&O tax revenues to pay for Parks.

The move is concerning to REALTORS® for two reasons:

1. It is not what the City Council promised. It's not consistent with addressing the urgent transportation needs that caused the City to impose a B&O tax in the first place.
2. The City appointed a *Financial Sustainability Taskforce* to identify Top City Funding Priorities, and sustainable ways for the City to fund them. Parks was not even listed in the top 5 priority areas for the City of Kent by the City's own Task Force.

REALTORS® are pushing back against the City by working with the Chamber of Commerce to present a united front from the business community. It is an important partnership. Why? Because following the imposition of the B&O Tax the city has considered multiple proposals – primarily from the Mayor's office - to divert B&O Tax funds away from road maintenance.

In a letter to the City, Chamber of Commerce CEO Andrea Keikkala stated, "The fundamentally flawed and heavily burdensome B&O Tax on the business community is the only funding mechanism for street maintenance that is in place today. Please

do not redirect any more funds from these crucial street maintenance projects. We ask again that the B&O Tax be used for its original purpose for street maintenance to repair damage allegedly caused by commercial vehicles. Please stop diverting these much needed funds and compounding the cost of road projects as you delay completion of road maintenance."



Andrea Keikkala  
Image Credit: Matt Brashears/Reporter



## Kent: REALTORS® Scrutinizing “Complete Streets” Initiative to Prevent Mischief

On its face it seems pretty straightforward: When the City of Kent builds streets, it should include all of the attendant improvements that help to make the project safe, functional and complete, including sidewalks, parking strips, neighborhood greenways, stormwater management, bicycle lanes, paved shoulders, bicycle parking, etc.

The “*Complete Streets Initiative*” has been summarized by advocates as “a transportation policy and design approach that requires streets to be planned, designed, operated, and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation. Complete Streets allow for safe travel by those walking, cycling, driving automobiles, riding public transportation, or delivering goods.”

In the third special session of 2015, the State Legislature passed what is now RCW 47.04.320. It requires local governments to have a complete streets program in place by October 2016 in order to meet the eligibility requirements for the State’s new *Complete Streets Grant Program*. This new state grant program is being administered by the Transportation Improvement Board (TIB). In response, Kent’s Land Use Planning Board – or LUPB (the city’s Planning Commission) - has recommended that the City Council incorporate the concept of “complete streets” into the city code as a new mandate. The City will update its Transportation Master Plan in 2017, and the draft ordinance recommended by the LUPB could be used to guide both the process and future of all transportation investments, including (but not limited to) those projects that could be aided by funds from the state’s new grant program.

Other cities throughout our region are also adopting a new Complete Streets program in order to be eligible for the state’s new grant funding.

As for Kent, there are at least five areas of concern that REALTORS® are watching closely as the discussion in the City goes forward:

1. Will the concept be applied retroactively in a way that sucks-up available transportation funding for beautification of existing transportation corridors at the expense of repairing existing roadways, or at the expense of adding new congestion-relieving capacity to the city’s transportation system?
2. Will even more of the city B&O tax dollars (that were intended for street repairs) be diverted for collateral appointments to rights-of-way, or to neighborhood residential streets, rather than having B&O tax collections be focused on repairing crumbling road-beds that are required for the city’s growing economy?
3. What standards will apply? There are no performance metrics in the proposed ordinance. If performance metrics are eventually identified will it be “one size fits all,” or will there be exemptions for relatively small projects, especially repair projects? City staff has included a “small” projects definition in the draft ordinance, but it’s not clear what affect that will have, if any. Similarly, it’s not at all clear how repair of “historic” projects will be treated under the proposed ordinance, which could be important because updating infrastructure that was not designed to accommodate current standards can be a money pit that disproportionately sucks-up available revenues.
4. Where will the standards exist? Transportation advocates want the City standards to be part of the City’s Transportation Master Plan (which evaluates the City’s entire transportation system), while city staffers would prefer that any standards be part of the City Council’s strategic plan for safety and connectivity.
5. Will funds be used in a way that violates the state constitution’s narrow limitation on how gas tax revenues are allowed to be spent?

## Kent: New Police Sub-Station Coming to East Hill for Larger Police Presence

Kent Police Chief Thomas has asked the City Council to enter into a five-year lease to secure a location to establish a police substation on East Hill.

According to Thomas, space is currently available in the Kent East Hill Shopping Center. The area is known to have a high crime rate and the enhanced police presence would help to address that, as well as keep officers closer to their beat. This new location would replace the existing substation located at the training center, keeping the current number of four total substations.

The City's Economic and Community Development Deputy Director Kurt Hanson helped negotiate the lease for the new sub-station that is about \$2.00 a square foot less than the current market value. The monthly rent that will be due during years 2 through 5 of the initial five-year term will increase on August 1st of each year by an amount equal to 2% of the previous year's monthly rent. The lease also allows for a second five-year term.



## REALTORS® Responding to Shortage of Appraisers

Real estate brokers are reporting a huge shortage of appraisers. Appraiser Qualifications are set at the Federal level by the Appraiser Qualifications Board (via HUD), and then monitored at the state level, so Washington state really doesn't have any say in the qualification threshold.

However, the AQB recently took up this issue and NAR weighed in on several pieces of appraiser qualifications. Among the proposed changes from NAR include replacing the requirement for a four-year degree to become a licensed residential appraiser with various ways to demonstrate the knowledge and skills requirement, including the use of College Level Placement Exams.

The AQB also proposes to allow for certain experience in other fields to count towards 50% of the experience required for appraisal licensure or certification. NAR agrees with these and other proposed changes, but also urged the AQB to allow certain real estate related work experience to count towards the four-year degree requirement and expand the types of experience from other fields for the experience requirement. NAR's

comments regarding appraiser qualifications are intended to expand the supply of appraisers while also providing consumer protection.

Again these are all proposals that went under consideration of the AQB at the end of May- so it will still be a little while before they adopt these changes, and then a little more time before we see the results of that in the industry. The link copied below is a rather lengthy document that outlines the proposed changes the AQB is considering.

[http://www.appraisers.org/docs/default-source/advocacy/aqb-may-2016-exposure-draft-rpaqc\\_051816.pdf?sfvrsn=4](http://www.appraisers.org/docs/default-source/advocacy/aqb-may-2016-exposure-draft-rpaqc_051816.pdf?sfvrsn=4)





## Protecting Your Business

### Elections in 2016

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 one U.S. Senate seat, all congressional seats, statewide offices and the state legislature.

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 will review voting records of elected officials. And it's why your REALTOR® colleagues will be interviewing candidates running for office.

This year Seattle King County REALTORS® will take action to protect your business by supporting congressional and state legislative candidates who share our REALTOR® values. In this year's primary election, twenty-two (22) of our twenty-four (24) endorsed candidates (92%) will advance to the general election. We provided an online REALTOR® Voting Guide for the August 2nd primary election.

**Do you want to know which candidates support your business and clients in fostering housing supply, strong communities and a vibrant economy? SKCR will release a Voting Guide before the November 8th general election so that you can make a more informed choice about your voting decisions.**

### REALTORS® Political Action Committee (RPAC)

We can't all go to Washington DC, 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. Visit: <http://www.realtoractioncenter.com/rpac/?referrer=http://www.nwrealtor.com>

The REALTOR® PAC Summer Night Wine Auction, held on August 20th at the Overlake



Golf & Country Club, raised \$18,400! Our appreciation is extended to everyone who supported this successful fundraiser.

So far this year SKCR has raised over \$240,000 for the REALTOR® PAC. Please invest in REALTOR® PAC at [www.warealtor.org/government/political-affairs/](http://www.warealtor.org/government/political-affairs/)

*Issues & Impacts* is a quarterly publication produced by SKCR to inform members about current issues and successes within your Governmental Affairs Department. Our next publication will be released in December 2016. The 2016 VP of Governmental & Public Affairs is Shane Davies [myagent@windermere.com](mailto:myagent@windermere.com), VP-elect of Governmental & Public Affairs is Michael Orbino [michaelorbino@johnlscott.com](mailto:michaelorbino@johnlscott.com), staff director is David Crowell [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com), and our local legislative housing advocates are Sam Pace [sam@sampace.com](mailto:sam@sampace.com) and Randy Bannecker [randy@bannecker.com](mailto:randy@bannecker.com). Please call David Crowell at (425) 974-1011 ext. 704 if there are any local legislative issues that need SKCR's attention.