

Issues & Impacts

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



Support for Increasing Housing Supply

Background

During the last 5 years, the Legislature has tried several different approaches to address our state's housing crisis:

Incentives

Beginning in 2019, with support from REALTORS®, the Legislature provided financial incentives to cities if they made specific modifications to development regulations to quickly accommodate more housing (HB 1923). The results were mixed, but largely unsuccessful, especially regarding low-income housing, even after legislators extended the incentives in 2020 (HB 2343).

Low-Income Housing

In 2021, legislators mandated cities accommodate "STEP Housing" (emergency **S**helters, **T**ransition-al housing, **E**mergency housing, and **P**ermanent supportive housing) (HB 1220). But those STEP Housing mandates failed to address the need for market-rate housing, especially affordable homeownership opportunities, and market-rate rentals for workers. To nobody's surprise, the state's affordability crisis worsened, and Washington earned the dubious distinction of "Worst in the Nation" for new housing opportunities.

Increased Housing Supply

In response, in 2023, with strong support from REALTORS® (including a massive aggressive advertising campaign), the Legislature added requirements for cities in the Puget Sound to significantly increase the amount of new housing cities must allow.

The legislation requires cities to up-zone the amount of housing allowed in their comprehensive plans, and to accommodate Middle Housing ([HB 1110](#)), and more ADUs ([HB 1337](#)). The deadline for cities to do so was December 31, 2024. Many cities in King, Pierce, Snohomish, and Kitsap counties met that deadline, but some are still finishing up their work.

Development & Permitting Regulations

The Legislature also passed several new requirements for Puget Sound cities to amend their development and permitting codes by June 30, 2025. Cities are required to improve the efficiency of city development and permitting regulations, and to shorten the time it takes to bring new housing to market. These state requirements place limits on the authority of cities in connection with:

- New state permitting timelines and development application review exemptions for cities, as well as requiring cities to file annual "permitting performance" reports with the state.
- Conversion of existing commercial or mixed-use buildings for multifamily housing units.
- Exemption of small condominium projects from certain high-rise Building Enclosure inspection and documentation requirements
- SEPA categorical exemptions for urban residential housing units if "programmatic environmental reviews" have been completed.
- Quality of city design review standards. Standards must be clear and objective.

Seattle King County REALTORS® have been very active during the first quarter of 2025 in monitoring the work of cities to reform development and



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permitting processes, and advocating successfully in support of reforms to reduce the amount of time, and cost, required to bring new inventory to the market.

Renton

Renton began with a work plan that includes:

- **Accommodation for additional density by re-zoning** (up-zoning) properties to Residential Multi Family and Commercial Neighborhood zoning designations.
- **Finalized Comprehensive Plan Amendments.** The City plans to finalize the Transportation Element of the Comprehensive Plan, and to correct errors in the plan update approved late last year by the City Council.
- **Planned Urban Development Regulations for Private Open Space.** The City will examine opportunities to provide additional private open space for upper-story residential units.
- **Corner Stores and Neighborhood Retail.** The City will seek to allow corner stores, and other small-scale commercial uses, to support reinvestment, entrepreneurs, opportunities for socializing, food security/healthy food options, compact development, and reduced dependency on cars.
- **Interpretations of Code and Administrative Policy.** Cities have the legal authority to interpret their own codes. So long as the interpretation is consistent with controlling law, those interpretations are authoritative and binding in connection with land use codes administered by the city. Renton publicly posts drafts of interpretations online, and public comments may be provided. Renton staff try to codify the interpretations on an annual basis.
- **Authorization of multi-family housing units.** HB 1998 requires the City to amend its code to allow Single Room Occupancy (SRO) housing, boarding houses, etc. in areas that allow multi-family housing with six or more units per lot. Additionally, the City must ensure that its code does not include minimum requirements that exceed the state building code. Work on the co-living code changes must be completed by December 31, 2025.

Federal Way

Federal Way is reviewing its zoning and development standards to assess and amend any “design standards” that are not clear and objective. The obligation for the city to do so within six months after the adoption of the update of the City’s Comprehensive Plan is the result of HB 1293 that is now codified in RCW 36.70B.160, which provides:

- Cities may only apply clear and objective design review standards that are limited in scope to the exterior design of new development.
- Design review must be conducted concurrently with the project permit review process, and Clear and objective standards for design do not apply to designated landmarks or historic districts.

Next Steps

As we approach June 30, and likely for the remainder of 2025, Seattle King County REALTORS® expect to continue to engage with cities and to support well-advised efforts to reform local housing, development, and permitting regulations, as we seek to:

- Increase the total supply of market-rate housing that is affordable to working households, and
- Encourage the availability of more homeownership opportunities that are affordable to households with median incomes.

This work is complicated for cities. Planning staff must digest the Legislature’s requirements, then draft code amendments for review by the Department of Commerce and the city planning commission. Planning commissions will hold public hearings before making recommendations to the city council. Typically, a city council committee will review each proposed change before it is considered by the whole council. Then, the entire city council will make a final decision on the proposals. Once approved by the city council, planning staff will have to apply the code changes to new development applications and permits.

Advocacy for Positive Regulatory Environments

Seattle King County REALTORS® (SKCR) continues to work throughout the region to encourage cities to adopt flexible and bold comprehensive plan policies and related development regulations to encourage ADUs and middle housing in their cities.

REALTORS® are encouraging policymakers to view increased housing supply through zoned density as the first and best strategy to make housing affordable, underscoring that until we better balance supply and demand, affordability will remain unachievable.

ADUs and middle housing types like duplexes and triplexes can add greatly needed housing supply while maintaining the look and feel of the neighborhood.

Recognizing that middle housing must deliver solutions for young families seeking to begin building home equity, REALTORS® are encouraging larger, family-sized units.

For middle housing to be successful, it will need to be buildable. The regulatory environment will need to be understandable, predictable, and timely so that average people can act on the opportunity.

While the overall trend in middle housing implementation is positive, REALTORS® are collaborating with the Master Builders Association and others in the development community to advocate for a positive regulatory environment.

Some of the specific middle housing issues we are advancing include:

Flexible Floor Area Ratios (FAR)

REALTORS® want municipalities to preserve the option for families to build large houses on large lots recognizing many households are multigenerational. For instance, we support maintaining a .5 FAR on lots of 10,000 sq. ft. for projects that include an ADU as part of the permit.

Fees for Additional Density

REALTORS® encourage a voluntary approach to fees for added density and a fee schedule that enables projects to pencil and homes to get built.

Unit Size

REALTORS® report strong demand for cottage and ADU options that can accommodate a small family. Accordingly, cottages should have a maximum square footage of 1,750 sq. ft., and ADUs a maximum square footage of 1,500 sq. ft., to allow a third bedroom.

Unit Lot Subdivision

REALTORS® applaud unit lot subdivision as a proven pathway for opportunity for fee-simple ownership of small lots and middle housing. This can avoid the costly and cumbersome process of making a condominium declaration and forming a micro-homeowners association.



Development Regulations for Land Use Appeals



Currently, Renton’s city code provides that decisions on land-use-related development applications are made by a professional Hearing Examiner. Once the Examiner’s decision is made, the City Council acts as a “quasi-judicial” appellate body for appeals of most land-use decisions.

Seattle King County REALTORS® are making good progress advocating for streamlined land-use appeals by making the Hearing Examiner’s decision final and removing the City Council’s responsibility to hear such appeals. Any challenge to a Hearing Examiner’s decision would be filed in King County Superior Court, without the necessity to first go through an additional city council appeal process.

The change, which was supported by REALTORS® in the Planning Commission’s public hearing on the matter, would improve efficiency and predictability of outcomes. In the process, it would reduce the cost and time to bring new inventory to the market.

City officials have acknowledged the existence and nature of the conflict between the City Council’s primary role as a “legislative” body and the “quasi-judicial” nature of closed-record land-use appeals. City Council members:

- Are prohibited from considering new evidence or testimony during closed record appeals.
- Are prohibited from creating new standards in

the middle of an appeal (because the establishment of new standards is a legislative action, and taking such action in a quasi-judicial process would violate the property owner’s constitutional due process rights).

- Do not typically possess the task-specific skill of well-qualified professional hearing examiners to make these decisions.

Additionally, the closed-record nature of appeals to the City Council (where the introduction of new evidence or testimony is prohibited during the appeal) invites public frustration. The notion that people can take their concerns to City Hall has a different meaning in a legislative process than it does in a quasi-judicial setting. Most members of the public do not have sufficient experience with closed-record appeals to appreciate the difference. When members of the public confront that difference (in the middle of a moment when they have something they want to say) and are told of the legal limitations on their ability to do so, it creates frustration, produces bad optics, and undermines public trust. Such dissatisfaction is further exacerbated by the legal restrictions on city council members that prohibit all off-the-record communication with members of the public and parties regarding the substance of any appeal to avoid the appearance of a conflict of interest.

Approval of this change supported by REALTORS® would leave councilmembers free to discuss and engage with concerned citizens, property owners, and business owners on development projects within the city.

Transitioning away from council involvement in quasi-judicial appeals may also provide important efficiencies that are beneficial to property owners and housing developers seeking development approvals and permits. Specifically, the proposal supported by the REALTORS® may:

- Provide greater congruency between city standards, hearing examiner decisions, and final results.

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Development Regulations for Land Use Appeals

- Improve predictability of outcomes for property owners and developers applying for permits.
- Reduce timeframes required to move from initial submittals of applications to completion of construction and receipt of certificates of occupancy/final inspections from the city.
- The more efficient process (shorter timeframe) may also reduce project carrying costs, such as interest paid on operating capital loans, in ways that can minimize unnecessary expenses,

improve affordability, and favorably affect whether a project will pencil. This is important because projects that don't pencil don't get built.

Additionally, it appears this proposed process improvement can be accomplished without making any "substantive" reductions in the health, safety, environmental, and structural development standards and protections that projects must satisfy.

Sign Code Updates

Sign code updates are in play in **Bellevue, Bothell, Lake Forest Park, and Duvall**. We seek to maintain REALTORS®' ability to post on-premises "For Sale" signs and off-premises "Open House" A-boards, placed in the right-of-way during open-house hours.

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

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

Please contact us for more information or to get involved.

Binding Site Improvement Plan Process Reform

Currently, when a property owner wants to utilize the city of Tukwila's Binding Site Improvement Plan (BSIP) process to develop their property, the property owner must also enter into a Development Agreement with the city. The two processes are redundant and add unnecessary expense and delay to bringing new housing to market.

Seattle King County REALTORS® is making good progress advocating to have the requirement for a Development Agreement eliminated if the property owner is utilizing a BSIP. In testimony to the Tukwila Planning Commission, REALTORS® aggressively supported reforming the city code to eliminate the unproductive duplication. This change:

- Would not compromise or dilute existing development standards because the substantive requirements of development agreements are already present, both in Chapter 17.16, and elsewhere in city code.
- Would require that a BSIP be consistent with any City-approved master plans and development agreements.
- Would be applied city-wide if approved by the City Council.
- Would provide flexibility to accommodate property sales. Sometimes such sales are necessary to facilitate obtaining the financing that is required to make it possible to finish building out a large development. To their credit, Tukwila officials understand that although Binding Site Plans are typically used for commercial



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TUKWILA

or industrial sites, they can also be used for new residential and mixed-use developments. Large residential and mixed-use developments often rely on shared features within the larger site (such as parking, access points, landscaping, utilities, and refuse collection areas).

Both platting and condominium processes are expensive and time-consuming, making it difficult to increase affordable and attainable home ownership opportunities. If approved, BSIPs hold the promise of achieving more timely reviews at less cost than platting or condominiums without sacrificing substantive environmental, health and safety concerns.

Tukwila city staff have noted the additional requirement for a redundant Development Agreement results in delays, added costs, and a lack of predictability for the applicant, which can translate into higher financing costs. Binding Site Plan approvals involve an administrative review based on complex topics in the municipal code. The application of those objective standards in a technical administrative review helps to provide predictability.

SKCR Advocacy Leadership

Sol Villarreal

2025 VP of Governmental & Public Affairs
sol@windermere.com

Scott Dickinson

2025 VP-Elect of Governmental & Public Affairs
scott.dickinson@side.com

Taylor Shanaman

Director of Governmental and Public Affairs
tshanaman@nwrealtor.com

Legislative Housing Advocates

Sam Pace

South King County Specialist
sam@sampace.com

Randy Bannecker

Seattle/King County Specialist
randy@bannecker.com

Please call Taylor at 425.974.1013 for questions or comments.



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

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

The next issue will be released in July 2025.