

SEATTLE: 12,000 Households and 22,000 Jobs Slated for South Lake Union

SKCR has been a strong advocate in encouraging zoning to accommodate an increased supply of housing. This past summer, the Seattle City Council unanimously passed a package of land use changes that increases the development capacity of the South Lake Union neighborhood to accommodate projected future job growth and housing demand.

“After eight years of collaboration with South Lake Union stakeholders, neighbors and city staff, we’re finally implementing the 2004 designation of South Lake Union as an ‘Urban Center’ and the South Lake Union Neighborhood Plan update,” said Councilmember Richard Conlin, Chair of the Special Committee on South Lake Union and the Planning, Land Use, and Sustainability Committee. “By 2031, South Lake Union will have to absorb some 12,000 households and 22,000 jobs to continue to meet its share of future growth.

FLOOD PLAIN LEVEE VICTORY: King County Supports Kent Levee Design

The King County Council – sitting as the King County Flood Control District Board of Supervisors – voted 8 to 0 on February 26th to approve the City of Kent’s design for the Briscoe and Desimone flood levees on the Green River in North Kent. Councilmember Lambert was unable to attend the meeting.

SEATTLE *KingCounty* REALTORS® worked to ensure the victory, and were joined by the Property Owners for Sensible Flood Plain Regulations Coalition, Attorney Molly Lawrence, Jeanette McKague of Washington REALTORS®, Masterbuilders, BOMA, property owners, cities, the Port of Seattle, elected officials and business owners.

The cost of the City’s approach is \$17.5 million and could be completed this year. The County’s approach would likely cost four times more than that, eventually escalating to more than \$400 million, and could take 20 years to complete. It would also exhaust the King County Flood District’s \$36 million annual budget for decades. That, in turn, would leave the District with no funds to invest in flood prevention levees elsewhere on the Green River between Tukwila and Auburn, or on other rivers in King County, or for the Seattle flood wall.

FLOOD PLAIN LEVEE VICTORY SUSTAINED: Tukwila Supports Kent Levee Design

Having won a major victory on the design of flood levees in Kent, the REALTORS® successfully fought to sustain the 8-0 victory when county staffers took action after the vote that would have torpedoed the victory. Staff for the King County Flood Control District (who strongly opposed the REALTORS®) expressed concern about proceeding to implement the unanimous vote of the Flood District Board of Supervisors unless Tukwila City Council members also expressed formal support for Kent’s plan, which they did on Monday, April 22, 2013, by a vote of 7-0.

The motion approved by the Tukwila City Council stated in relevant part: “Tukwila supports Kent’s continuing efforts to address the Desimone/Briscoe Levee structural problems. Tukwila also supports Kent’s desire to begin construction in 2013 for the levee reaches in Kent.”

KING COUNTY: Buildable Lands Report Update Will Affect Future Housing Inventories and Supply of New Homes in King County and its Cities

An important part of local governments’ compliance with the Growth Management Act is to determine how much buildable land exists within each city in the county, as well as the number of housing units and jobs that can be accommodated given current zoning and development regulations. This is to ensure that local governments can meet their legal responsibilities to accommodate the demand for housing. The idea is to adjust comprehensive plans and development regulations to accommodate growth if the analysis shows a lack of land supply to meet projected population increases associated with economic growth, and growing families.

The analysis of the capacity to accommodate growth is called the Buildable Lands Report and it is prepared by King County (with assistance from the cities) approximately every 5 to 7 years. The next report is due in June of 2014.

SEATTLE *KingCounty* REALTORS® has been a loud and persistent voice in urging the County, and the cities within King County, to ensure the County’s Buildable Lands Report does not count land as buildable if it is truly unbuildable, or

to overstate the capacity to accommodate housing and jobs by failing to fully account for factors that limit or reduce the capacity to accommodate housing and jobs. Examples of such factors include land dedicated to transportation right-of-ways, environmentally critical areas buffers, greenbelts, set-back requirements, lack of infrastructure (or infrastructure that is included in city plans but for which funding has not been identified or secured), and public uses such as schools, city and county facilities, parks and natural areas.

Additionally, SEATTLE *KingCounty* REALTORS® has urged that market factors be taken into consideration to determine whether land is developable or re-developable within the five-to-seven year planning horizon that is evaluated in the Buildable Lands Report.

In collaboration with the Master Builders Association, SEATTLE *KingCounty* REALTORS® recently reiterated this position in a meeting with King County, and the cities within King County. The REALTOR® Association representatives were concerned to hear that the Washington State Department of Commerce – the agency responsible for Growth Management requirements – was advising counties and cities that this update of the Buildable Lands Report could be a scaled-back analysis, citing the recession, related slowdown in building activity, and the absence of changes in development regulations since 2007 when the last Buildable Lands Report was issued.

Both SEATTLE *KingCounty* REALTORS® and the Masterbuilders Association questioned whether or not such an approach was legally permissible, especially in light of untenable assumptions made by state and county staff that no significant new development regulations have been adopted since 2007 that would have reduced the capacity for new housing and jobs.

REALTORS® pointed to new Shoreline Master Program updates, down zones, increases in buffers, and proposed regulations to require all new construction to use alley-ways, as just a few of the examples that call the state and county assumption into question.

SEATTLE *KingCounty* REALTORS® also made the case that it is more important than ever to conduct an analysis that is accurate and relevant to the marketplace so that local policymakers have the data available to make well-informed decisions to adjust zoning to ensure that an adequate supply of housing is available as jobs return and people need housing.

The REALTORS® representatives also pointed out that an inadequate supply of housing leads to a sharp increase in housing prices, and ultimately longer commutes and congested transportation systems as people drive until they qualify. In the process, it also creates avoidable new transportation infrastructure requirements that state and local governments cannot afford.

KING COUNTY: Parks and Zoo Levy Supported by REALTORS® Passes

SEATTLE *KingCounty* REALTORS® supported a King County Parks and Zoo Levy that appeared on the ballot at the August 6th primary election. King County voters expressed strong support for the measure. The levy passed with 231,170 votes by a margin of 70.22% in favor, and just 29.88% opposed.

The King County Council voted on April 30th to place the six-year property tax levy before voters in August to fund county and city parks, and the Woodland Park Zoo. The property tax levy lid lift authorized the imposition of a tax of 18.77 cents per \$1,000 of assessed value, which amounts to about \$66 per year on a \$350,000 home. The County said the funds would be used to pay for maintenance and operation of the County's 200 parks, 175 miles of trails and 26,000 acres of open space. In addition, the County said portions of the funding would be used for city parks and the Woodland Park Zoo, and would be used to expand the regional trail system by connecting it to South King County.

CITY OF AUBURN: City Makes Fee Deferral Ordinance Permanent

With the support of SEATTLE *KingCounty* REALTORS® and the Masterbuilders, the Auburn City Council has made permanent an ordinance that defers payment of impact fees and utility system development charges to the time of closing or certificate of occupancy, but not later than 18 months after issuance of a permit.

BURIEN: City Council Rejects Lake Burien Development Restrictions

Since Burien first incorporated as a city, the REALTORS® have opposed down-zoning that would restrict housing opportunity and housing choices in the city. In 2013 the Burien City Council once again rejected efforts to consider down-zoning of the land around Lake Burien, this time by a vote of 5-2. The question was whether or not to include the issue on the 2013 docket of possible comprehensive plan amendments. Councilmembers Bob Edgar and Lucy Kraykowiak supported adding the issue to the Council's work plan. The Council considered a similar request in 2010.

If the Council had voted yes, the City and not the property owners around Lake Burien, would have had to pay for the evaluation of any proposed changes. Councilmembers rejecting the request noted that if property owners were truly concerned about the environmental condition of the lake as they claimed they could voluntarily impose restrictive covenants, or assign development rights to a land conservancy organization.

BURIEN: City Finalizes Shoreline Master Program

After supporting the City of Burien's Shoreline Management Planning efforts for more than three years, the Association of REALTORS® was finally able to celebrate the City of Burien reaching a local-control-oriented resolution of the City's well-founded disagreements with the Department of Ecology over the City's Shoreline Master Program. Much of the City's Shoreline Master Program has been approved by the Washington Department of Ecology, but Ecology notified the City in April of 2011 that the state agency wanted additional changes before it would grant full approval of Burien's program. Typically, cities would be required to acquiesce to Ecology's requirements. But with support from Burien homeowners and the REALTORS® the city of Burien built a strong record to support and explain the basis for its Shoreline Master Program update. That left the Department of Ecology in unfamiliar territory because in the event of an appeal Ecology's proposed requirements might have been rejected, which could have had ramifications for the agency that extended far beyond Burien.

CITY OF DES MOINES: City Council Passes Real Estate Sign Code Improvements

On August 8th the Des Moines City Council approved amendments to the Des Moines City Sign code that provide more flexibility in the number of off-premise Open House signs real estate brokers are allowed to use, and more flexibility in the hours which Open House signs are allowed to be in place.

As amended, the Des Moines sign code now allows for five (5) off-premise signs instead of just three (3), and allows the signs to be displayed "on the day of the open house" instead of being limited to just the "hours of the open house."

KENT: B&O Rate Increase Avoided – At Least for Now

The Kent Chamber of Commerce, with support from the REALTORS®, has met and worked with the city of Kent to resist the potential for further increases in the City's new B&O Tax. The prospect of an increase surfaced when collections of the new tax were far below what the city had planned for, and predicted.

Only 563 businesses (of more than 5,000) filed returns for the first quarter that the new tax was in effect, which garnered the City just \$617,000 – far short of what the City was hoping would be collected. Increasing the rate, rather than increasing compliance, would have been the easy way for the city to seek revenue but would have penalized REALTOR® firms complying with the new law.

The REALTORS® worked in partnership with the Kent Chamber of Commerce last year to obtain some major modifications in the B&O proposal to lessen the negative impact of an additional gross receipts tax on businesses, including: adding an exemption, reducing the tax rate, reducing the total amount of tax sought to be collected, restricting any excess collections solely to capital projects, and limiting the use of the funds to street maintenance.

RENTON: "Alleys" Code Interpretation Issue Resolved

The city of Renton has issued a new, updated code interpretation that has resolved housing industry concerns about the possibility that the City might impose requirements "alley requirements" on new home construction that could reduce the number of homes that could be built on parcels, and raise the cost of new housing in the city.

The code currently provides that alleys are the "preferred" street pattern except for properties in the Residential Low Density land use designation. The word "preference" caused concern because – in the absence of a requirement – builders wanted more flexibility in their designs. Adding alleys to a development reduces the amount of developable land, is inconsistent with homebuyer preferences and increases impervious surfaces in the developments.

To address the industry's concerns, the city proposed several new interpretations, including the following:

- Although the code includes alleys in the R-4 zoning, the city has never required them for that zone because it creates a "significant burden for the developer" on lots that size, so the city will take that zone out of the requirement.
- Alleys will only be required where they currently exist and only for subdivisions with interior lots.
- There would be a threshold of more than six dwelling units per acre before the alley access is triggered; however, alleys will be required at any project that goes for maximum density.

No alleys required in any short plat (nine lots or fewer), if the topography is too steep or if the environmental impacts of having alleys has a greater negative effect than not having alleys. Generally speaking, alleys will now be required in higher-density areas with eight homes per acre.

The larger issues of whether to allow alleys will come up again next year during the city's code update, although – according to media reports – many council members said they don't think alleys are a good idea for reasons including safety, and because it is not what people want.

CITY OF SAMAMISH: Impact Fee Ordinance

SKCR joined the Master Builders Association in the city of Sammamish to voice opposition to a package of proposed impact fee increases. The ordinances sought to impose a 3.51-percent increase in traffic and park impact fees and expand the authority of the city to adjust impact fees on a yearly basis for inflation.

SKCR urged the city to consider the effect of impact fee on to housing affordability and the need to allow the housing market to fully recover before pursuing new measures that increase the cost of housing and slow the market recovery.

Overall, the effort was successful. The council removed the traffic impact fee increase from consideration, suspended the provision that “requires” the city to update the fees annually.

CITY OF SEATTLE: Urban Forest Stewardship Plan

The city of Seattle has released its Urban Forest Stewardship Plan. The plan sets a goal of achieving a 30% tree canopy cover for Seattle by 2037; the current canopy is 23%.

SKCR has been engaged in tree and urban forest plans in the city of Seattle due to the potential costs and property constraints associated with tree regulation on private property.

As the city has debated tree and urban forest plans, we have urged flexibility, education and incentives before mandates for single-family homeowners. It is gratifying to see that many of our recommendations are included in the plan:

- tree ambassadors to help educate homeowners on proper species selection and maintenance
- coordination of public tree planting and maintenance among city departments
- recognition of the role public trees play (parks, street trees, greenbelts, etc)
- recognition that tree canopy goals may conflict with Growth Management and density goals.

As specific programs and regulations are developed from the plan, SKCR will continue to seek a flexible and balanced approach to tree regulation on private residential property. In addition to the issues listed above, we will work to protect solar access, garden space, sport space and flexibility for additions to the home and deck.

CITY OF SHORELINE: City Tree Update

One year after adopting new regulations for trees, the Shoreline City Council made an important amendment that clarifies the distinction between a “significant tree” and a “hazardous tree.” In doing so, it removes the possible confusion that certain “hazardous trees” are regulated as “significant trees” which carry stricter standards surrounding removal.

STATE and Local Collaboration

Working in collaboration with Washington REALTORS®, SKCR also assisted in successful efforts to:

- Stop the extension this year of a Business & Occupation Tax increase (from 1.8% to 1.5%) on your commissions. That's a \$135 B&O tax savings on an annual gross commission of \$45,000 (before split with brokerage).
- Worked with Tacoma-Pierce County Association of REALTORS® and the SSCCLC to support major transportation improvements in the South Sound, including Hwy 167, SR 509 and the “South Sound Corridor” of transportation projects.
- Supported legislation to increase the maximum limit on the amount of land that can be annexed by a city (from the current limit of 100 acres, to 175 acres) to allow the city of Maple Valley to annex the so-called “Donut Hole” that consists of approximately 156 acres of unincorporated land (under the control of King County) that is located wholly within the city limits of Maple Valley. The property is located off Kent Kangley and 228th streets. In September – with the passage of the change in the law – the County and the City entered into an interlocal agreement to proceed with the annexation.