Reform Condominium Liability Laws

The supply of new condominiums in Washington State lags behind other states, due in part to onerous liability laws. REALTORS® support liability reforms to ensure that new condominiums are an affordable homeownership option in both urban and suburban areas. Liability risks for new condominium development and conversions have reduced condominium supply and increased costs such that the few new condominiums are priced beyond the reach of first-time homebuyers. Increasing the supply of affordable condominiums is necessary to provide first-time homeownership opportunities and meet the urban growth objectives of the Growth Management Act.

Increase Urban & Suburban Housing Supply in Urban Growth Areas

More than 25 years after the adoption of the Growth Management Act, some urban growth areas still have low-density zoning, or lack the zoning necessary for condominium, multifamily, or mixed-use zoning in areas served by mass transit. Washington State remains one of the fastest growing states in the country, with up to 1 million more people
expected by 2030. If housing density is not increased, then expansions of Urban Growth Areas will be needed to provide more land for housing supply. REALTORS® support legislation increasing minimum housing density in urban areas with low density and lack of affordable housing supply, especially near job centers and areas served by transit.

**Aligning the Short Subdivision Process with Ecology’s SEPA Regulations**

While the Department of Ecology’s State Environmental Policy Act (SEPA) rules allow short subdivisions of up to 30 lots in Urban Growth Areas, the state subdivision act defines short subdivisions to include only 9 lots. REALTORS® support aligning the short subdivision process with Ecology’s SEPA standard, to improve the affordability of smaller subdivision projects. These projects are often smaller, infill developments, and would be limited to projects inside Urban Growth Areas.

**Support the Housing Trust Fund for Homeownership**

The Housing Trust Fund should be used to increase first-time homeownership, which is a crucial component to the continuum of housing that improves economic and quality of life outcomes for families and neighborhoods. REALTORS® support dedicating a portion of the Housing Trust Fund for first-time homebuyers and for projects that increase the supply of owner-occupied housing.

**Expanding the Multi-Family Tax Exemption Program**

The recent apartment construction boom provides an opportunity to increase the supply of affordable housing – but only if the state’s multi-family tax exemption program can be expanded to apply to existing buildings. Under current law, only newly constructed buildings qualify for property tax assistance. REALTORS® support legislation expanding this program to enable local governments to include both newly constructed and existing multifamily buildings for property tax relief tied to dedicating units for affordable housing.

**State Funding Support for Housing, Homelessness, & Infrastructure**

The 2018 Legislature approved a record amount of funding for homelessness programs by increasing the document recording fee to $62, which will generate over $150 million per biennium. But our state must also invest in housing supply and homeownership. The GMA Buildable Lands program requires about $4.0 million to implement the 2017 Buildable Lands legislation, and additional planning grants will support local government efforts to increase density, enable condominium development, and increase housing supply. In addition, after years of diverting infrastructure money to the general fund, the Legislature should now restore the Public Works Trust Fund by using state Real Estate Excise Tax (REET) revenues for infrastructure projects for housing supply and rural broadband.

**REET & Lodging Tax — Local Funding Tools for Housing & Homelessness**

REALTORS® support equitable lodging tax and licensing requirements for short-term rental properties that function primarily as business operations, while still allowing homeowners to gain additional income from occasional room rentals. The lodging tax can be an important source of local funding for affordable housing and tourism programs at the local level. In addition, REALTORS® support extending the temporary ability of local governments to use a portion of local REET revenues for capital projects to address homelessness.