Your SEATTLE KingCounty REALTORS® (SKCR) is ensuring that public policies support homeownership and your business's bottom line. Contact Governmental & Public Affairs Director David Crowell at dcrowell@nwrealtor.com with any legislative issues that may need SKCR’s attention. Our next publication will be December 2014.

Protecting Your Transactions: Inspection of On-site Septic System (OSS)

Protecting Homeownership and Your Business

Protecting Your Transactions: SEATTLE KingCounty REALTORS® is working with the Health Department to make the OSS variance process more straightforward for properties that have site restraints and reminds real estate brokers to prevent transaction delays by completing OSS inspections early in the listing process.

Recently, SKCR met with Public Health – Seattle & King County’s – to discuss issues relating to On-site Septic System (OSS). Public Health is concerned too many property owners are unaware they are on an OSS or have not adequately maintained their system. Both circumstances can lead to frustrations in the transaction. Public Health reminds real estate brokers to encourage sellers to complete the inspection early in the listing process. OSS Property Transfer Inspection Reports are valid for six months from the inspection date.

SKCR will be having further discussions with Public Health with the goal of making the OSS variance process more straightforward for lots in which site constraints impair system performance.

If you have questions about OSS, please plan to attend the October 7 Government Affairs Committee meeting which will include representatives of Public Health to discuss OSS. (The SKCR Government Affairs Committee meets at the SKCR office located at 12410 SE 32nd Street, Bellevue from 10:30 am to 1:30 pm.)

Real estate deals can be delayed when a seller has not complied with Public Health – Seattle & King County’s requirement that sellers of properties with onsite sewage systems have their system inspected by a King County licensed On-Site System Maintainer (OSM). The inspection must be completed and a copy of the report must be given to both the buyer and Public Health before the transfer of title.

Before closing, the seller must record a Notice of On-site Sewage System Operation and Maintenance Requirements (OSSM)* at the King County Recorder’s Office. This is a document that acknowledges the property is served by a septic system and describes the owner’s responsibilities for maintaining the system. The seller gives a copy of the recorded OSSM to the buyer prior to closing. A declaration of receipt of the recorded OSSM should be signed by the seller and buyer for their records (King County does not need a copy of this declaration of receipt).

*OSSM is also known as Form 22U by the Northwest Multiple Listing Service.

NOTE: A septic system is also referred to as an “on-site sewage system” in official documents, forms and applications.

Additional OSS information and resources:
To confirm if an OSS Property Transfer Inspection Report has been submitted for a property, or to view summaries of inspection reports submitted to King County, visit:
http://www.onlinerme.com

For more information about the inspection requirement call the Onsite Septic System Operation and Maintenance Program at 206-296-4932.
New Plans Being Considered In King County Flood Control District

New plans were just released, and are being considered by King County, for controlling flooding on the Green River. But it’s not yet known how those plans might affect real estate, or how they might be modified before being adopted. As a result, REALTORS® are keeping a sharp eye on what’s happening as they continue to analyze the proposals and prepare to weigh-in.

The King County Flood Control District has just released a series of “Alternatives” plans to address flooding on the Green-Duwamish River. The District’s process for developing, considering, selecting and implementing a plan to address flooding on the Green River is called “SWIF” which stands for System-Wide Improvement Framework.

Allison Butcher, who is active in the SWIF Technical Advisory Committee, noted that the Green River SWIF is a U.S. Army Corps of Engineers-sanctioned process designed to achieve certain flood protection goals that address several, often competing, federal mandates and legal requirements related to flood levee systems. The mission statement for the Green River SWIF includes producing:

“...a prioritized set of capital project and programmatic recommendations to achieve reach-specific, Lower Green River flood protection goals in a manner that builds economic, ecologic and community resiliency for current and future generations.”

Ultimately, SWIF recommendations will help the Corps of Engineers prioritize funding for improvements to the levee system, and will also serve as a guide for both regional investments in the Lower Green River, as well as potential programmatic changes.

A key concern for REALTORS® is that any plan must place a strong emphasis on meeting FEMA levee certification/accreditation requirements, maintaining a strong and healthy economic base in the Green River Valley and ensuring a no-net loss of King County’s buildable land supply. Those same concerns are also shared by the Masterbuilders Association.

The Green River Valley is a major hub for aerospace, manufacturing, warehousing and distribution. It contains more than 5,300 residential structures, and is home to the second largest manufacturing district on the West Coast. If levees are not certified/accredited by FEMA, the size of areas within the flood plains will expand and also may not qualify for flood insurance under the National Flood Insurance Program (NFIP). That could cause new mortgages to be denied, and existing mortgages to go into default.

After having produced a Current Conditions Report and identifying a provisional goal related to Level of Protection (LOP) From Flooding, the County’s efforts are now focused on finalizing Three Channel Alternatives for the Lower Green River.

The three alternatives each reflect a different approach to achieving the LOP goals. They are described based on how closely they overlap with existing levees and revetments, as follows:

- **Alternative #1: Constrained** (Has the greatest overlap with existing flood protection structures)
- **Alternative #2: Less Constrained**
- **Alternative #3: Least Constrained** (Strays the most from existing levees and revetments in order to maximize habitat and recreation)

According to Jennifer Knauer, who is with King County’s Rivers & Floodplain Management, the formulation of a fourth alternative (that combines alternatives 1 & 2 with cherry-picked projects from alternative 3) is somewhat likely. The Flood Control District will likely settle on one of the three alternatives, or a fourth alternative, by October 2014.

As Butcher observed, inadequate protection from flooding, or lack of available and affordable flood insurance, could drive families and businesses out of the Valley. Similarly, decisions to widen the river channel could seriously alter land uses in the affected areas. At a time when our region already faces both a lack of housing inventory and a buildable land supply shortage, it is even more important that decision makers can work to ensure at least a no-net loss of buildable land in King County.

If our buildable land supply is negatively impacted as a result of this process, how will King County and its cities make up for the loss of housing and jobs? This is a key question REALTORS® and Masterbuilders will continue to press as the process moves forward.

In a related item, at the Water Resource Inventory Area (WRIA) 9 Watershed Ecosystem Forum, Colonel John G. Buck, Commander, U.S. Army Corps of Engineers, indicated that while the Corps is receiving heavy scrutiny on costs and being forced to re-evaluate their process and projects, the Howard Hanson Dam repair project is still moving forward. The Biological Opinion (or Bi-Op) for the project should be available in September. The Duwamish Blueprint – which is intended to be a formal plan for restoration of the Duwamish waterway – should also be available for public comment in September.
Bellevue Shoreline Master Program Regulations Should Respect Property Rights

REALTORS® urge the Bellevue City Council to not overly restrict waterfront property owners from reasonable access and use of their property.

As has been reported in prior issues, the City of Bellevue is updating its Shoreline Master Program (SMP) – the set of codes which govern the shoreline and uplands. In Bellevue, the updated rules will affect waterfront property owners on Lake Washington, Lake Sammamish and Phantom Lake.

Bellevue is to be applauded for taking the time to develop a plan that reflects the city’s highly urbanized level of development and the high quality of neighborhood character.

SKCR is concerned that some of the variations from the Planning Commission’s original recommendation to the City Council depart from that proposal’s flexibility and the ability of residential property owners to engage in peaceful enjoyment of their property.

These variations do not adequately recognize the sophisticated environmental safeguards and programmatic elements already incorporated into Bellevue’s codes. Bellevue has long been a leader in environmental protection.

Some jurisdictions have sought to use waterfront properties as a water filter for all upland runoff. We think this approach places undue responsibilities and burden on one segment of property owners. Water quality is a community responsibility, not just the responsibility of those living on the water.

SKCR recently testified before the Council with the following messages:

Increased setbacks will leave many shallow lots constrained and the addition of native plants in the setback between the house and the shoreline will restrict access and deter use. In very practical terms, if there are ferns and salmonberry bushes between a parent and child playing near or in the water, the parent might not let them play. Is that the end of the world? No, but it can represent a big change in how one uses and enjoys their property. A property that is not wilderness – but urban and developed.

SKCR encourages the Council to:

1. Allow property owners to conduct site-specific delineations of the Ordinary High Water Mark. Commit to a new study to establish an Ordinary High Water Mark that is accurate. The 2004 Study needs updating. The mark is important because a difference of 1-3 vertical feet of water can have a much greater horizontal impact on individual properties and could artificially constrain lots.

2. Opt for 25’ setbacks (rather than 50’), consistent with the vast majority of waterfront properties that were developed prior to Bellevue’s incorporation.

3. Keep in mind that Bellevue is a city of responsible homeowners who should be trusted to do the right thing, given the right information. No-net-loss of ecological function is not reliant on forceful measures. It’s not a no pain/no gain situation. People follow Bellevue’s already enlightened codes and are already shifting to the addition of native plants and less reliance on aggressive pesticides and fertilizers. The City should look to homeowners as partners.

The Bellevue City Council will revisit the SMP in September.

The Fight to Bring New Housing Inventory to the Market

State Supreme Court Dumps Appeal by Opponents of New Homes in Black Diamond

“The Supremes” said, NO! That’s welcome news for REALTORS® and a Major Victory for future Homebuyers in Black Diamond.

After repeatedly losing the case when their lawsuit was in the lower courts, opponents of two new Black Diamond Master Planned Developments (MPDs) have been kicked-out-the-door by the Washington State Supreme Court.

The State’s highest court denied a petition from Toward Responsible Development that requested review of a Court of Appeals’ decision upholding YarrowBay’s plans for two Master Planned Developments in the city of Black Diamond. Earlier, opponents had also lost their appeal before a three-judge panel at the Court of Appeals, and also lost their Land Use Petition Act appeal in King County Superior Court.

story continued on next page
Perhaps not surprisingly, Bob Edelman, president of Toward Responsible Development and the husband of Black Diamond City Councilmember Janie Edelman, said the loss at the Supreme Court was “not unexpected.” The Supreme Court said YarowBay will be awarded its court costs against the opponents of the MPDs. The amount the opponents will have to pay for losing again – this time in the Supreme Court – will be on top of cost bills filed in the Court of Appeals, including:

- YarowBay’s request for $153,237.46 in attorney fees and expenses, and $425.93 in court costs; and
- The $30,275.50 requested in the city of Black Diamond’s cost bill for the services of Kenyon Disend, the Issaquah law firm that was providing city attorney services. The city also requested $174.68 in court cost.

The City approved the MPDs in September 2010, and also approved Development Agreements for the MPDs in December 2011.

The two MPD projects are Lawson Hills and The Villages: The Villages would accommodate up to 4,800 low, medium, and high density dwelling units. In addition, there would be up to 775,000 square feet of retail, offices, commercial and light industrial development, schools, recreation and open space. YarowBay began clearing and grading work in December on The Villages - Phase 1A, which will be located on about 93 acres. According to a statement in December from YarowBay managing partner Brian Ross, the plans for Phase 1A include 378 single family homes, 395 multi-family units, nine townhouses, 190,000 square feet of commercial space, parks and a site where an elementary school could be built in the future.

Lawson Hills could accommodate up to 1,250 low, medium, and high density dwelling units on 371 acres, and up to 390,000 square feet of retail, offices, commercial and light industrial development, schools, recreation and open space.

### Affordable Housing in Seattle?

REALTORS® engage the City of Seattle to focus on market rate housing supply to allow middle income families to become homeowners.

As inadequate housing supply continues to vex buyers, the City of Seattle is reviewing its affordable housing programs, geared toward preserving and increasing the supply of housing affordable to moderate and low income households in Seattle earning between 60%-100% Area Median Income.

SKCR urges the City to begin the discussion with market rate housing supply. While the notion of increased housing supply is often dismissed as politically treacherous, it’s really the first discussion that needs to take place around housing affordability. Supply and demand impacts the entire spectrum of housing affordability – from a subsidized rental unit, to a mansion on the lake.

Seattle has accomplished a great deal in its effort to create compact urban development that is vibrant and exciting. People want to live in dense urban neighborhoods like South Lake Union, Downtown, First Hill and Capitol Hill. Portions of some traditional single-family neighborhoods are becoming denser with the addition of multifamily projects. This new housing supply has been an important factor in containing housing prices. Still, until we have a housing unit for every 1-1.5 jobs, market pressure will increase housing prices.

There are many subsidy tools that the city is reviewing to create affordability:

- Incentive Zoning
- Seattle Housing Levy
- Tax Abatement and Tax Credit Programs
- Backyard Cottages
- Zoning Changes
- Public-Private Partnerships

What’s tricky is employing such tools in a manner that does not unduly raise prices on market-rate units, risking further restriction of housing options for median income earners.

The stakes are high. When Seattle fails to accommodate demand for housing, prices rise not just in Seattle, but throughout the metropolitan region. Price pressure outside of Seattle is as true for below median income units as it is for market units. REALTORS® are letting the city know we share the city’s concern about housing affordability. A community in which the middle class cannot afford to live is not merely inequitable and undesirable, but unsustainable. We hope to see a city in which the median income household can afford the median priced home, with corresponding housing options throughout the income range.

We encourage members to engage in the issue as community opportunities arise.
City of Kent Proposals Could Be Good News For Housing Supply

Housing is in short supply. That’s creating hardships for buyers, and for the companies trying to hire workers who need to have a place to live in order to be able to take the job. So, the recent decision of the Kent City Staff to move forward with efforts to develop proposals the City Council can consider to help housing is welcome news for REALTORS®, home builders, home buyers and companies looking to expand their workforce.

Two of the specific concepts under consideration (regarding Setbacks, and Tree Retention standards) would allow for more efficient use of developable urban land, thereby accommodating the construction of additional homes. As Alex Wilford of the Masterbuilders explains:

Garage Setbacks: The current design guidelines require a 10 ft. garage setback, but allow a builder to submit an alternative plan, which must then be approved by the Planning Director. To assist the City, the Masterbuilders are assembling house/site plans with smaller setbacks, and they plan to develop a book of alternatives that will create a picture menu of sorts to inform the process going forward.

Tree Retention: A proposal has been drafted that would provide for a full tree credit. The next step will be to “beta test” the code amendment on a specific development prior to the City Council’s consideration of any permanent changes to the development standards.

SEPA Categorical Exemptions: The City Council’s Economic and Community Development Committee has also initiated Council consideration of expanding the City’s “Categorical Exemptions” under the State Environmental Policy Act (also called SEPA).

SEPA was adopted in the early 1970s. Since then, many additional layers of sophisticated environmental regulations have been adopted. Examples include Sensitive/Critical Areas Ordinances, Clearing and Grading Ordinances, Slide Hazard Areas, Stormwater Management codes, etc. As a result, there is now redundancy in the environmental assessments processes. So, the legislature passed legislation that allows cities to “exempt” some projects from SEPA review because other equally stringent (and in some cases, more stringent) standards are in place. Those exemptions are called “SEPA Categorical Exemptions” because they apply to specific categories of projects, as long as the projects also fall within limits established in state law.

Over the last 60 days the Kent City Council’s Economic and Community Development Committee was supportive and anxious to move forward on the proposals, but was interested to know how much time and money would be saved. In response, the Masterbuilders Association is working with its members to assemble that information for the City.

Auburn City Leaders Want To Streamline Application Process, Encourage Growth

Like all cities in King County, Auburn must update its city Comprehensive Plan by June 30, 2015. But unlike some cities, Auburn – which worked hard and smart to position itself for success coming out of The Great Recession – is using the Comp Plan Update process as an opportunity to position the City to continue to be a leader in the region.

City leaders understand they can minimize pressure to raise property taxes on homeowners by ensuring the City’s Comprehensive Plan will help to attract new private investment, new jobs, new housing for working families, and more tax revenue from a robust economy. The City’s approach is good news for homeowners, homebuyers, seniors on fixed incomes, REALTORS® and homebuilders.

The City plans to leverage what it learned from its “Imagine Auburn” study to inform the update of the land use, transportation, and utility elements of Auburn’s Comprehensive Plan. As part of the update process, the City will also be focusing on streamlining its information, and creating a guidebook for more efficient and effective decision-making.

REALTORS® and Masterbuilders are meeting with city officials and staff on an on-going basis to identify areas where the City may be able to find improvements that will encourage private firms to invest in Auburn. Among the subjects under discussion are market demand for single family townhomes, the timing of NPDES compliance inspections, short plat threshold issues (that involve raising the number of lots allowed in a short plat from 5 to 9 or fewer, which would save roughly $4,660), electronic permitting services, low impact development, and SEPA thresholds.
City of Renton Considers Troubling Options to Modify Development Standards

The City of Renton has begun looking at options to modify the City’s development code that regulates the construction of new housing. Some of the options, such as the creation of new R-6 zoning in the City, hold promise. But many others could make owning a home in Renton much more difficult, especially if you are a new Boeing worker being hired to help replace the aerospace giant’s aging and retiring workforce.

The city of Renton is looking to implement a new R-6 zone as part of its in connection with the update of the Land Use Element in the City’s Comprehensive Plan. Currently, the City’s zoning goes from R-4 to R-8, which effectively reduces the transition between neighborhoods. So the addition of a new R-6 zone to ease the transitions, and make more efficient of the city’s land base, would be good news.

But on July 16 the City Planning Commission was presented with a White Paper detailing a host of options for changes that are much more troubling, including:

- Increasing minimum lot areas from 8,000 sq. ft. to 9,000 sq. ft. (an increase of 12.5% in the amount of land required for each new home)
- New minimum lot widths and depths
- New front and rear setbacks, and
- Increasing side yard setbacks from 5 feet to 10 feet

Stated simply, these changes would mean fewer homes get built, less inventory would be available to meet demand from homebuyers, and prices would rise.

In testimony before the Planning Commission, REALTORS® expressed “great concerns” about the proposals for three reasons:

1. Homes in Renton are already priced beyond the purchasing power of workers in the city – including Boeing workers – and these kinds of changes will make the situation much worse:

   On July 16 (just an hour or so before the Planning Commission meeting) the average list price for a new single family home in Renton was $411,080.

   Assuming buyers can afford a home priced at about three times their household income, as much as $137,000 in annual income might be required to qualify for the mortgage on the average-price home.

   But the most recent household income data from City-data.com indicated the average Renton family income was just $59,978. Data from SalaryList.com indicated the average Boeing salary is only $85,169. Both of those numbers are far below what’s needed, and the options under consideration at City Hall will cause the gap to grow even wider if they are adopted.

   Boeing workers have always been a very important part of the heart and soul of Renton. And with help from the state legislature the city has just invested heavily in a new Regional Aerospace Training Facility (on the old Chamber of Commerce property at the Renton Airport) to train the next generation of Boeing workers.

   But if the City of Renton moves forward with the troubling aspects of these options that are being presented to the City, new Boeing workers won’t be able to afford to live in Renton and the City will have sent a really unfortunate message to The Boeing Company about where it will need to locate its future facilities in order for workers to be able to afford a home in the city where they work.

   As a result, the REALTORS® plan to be VERY ACTIVE in offering to help the City pursue approaches that will help new working families, instead of driving them from the City.

   2. They are inconsistent with the City’s intermediate and longer-term ability to accommodate growth consistent with the mandates of GMA, including future OFM population forecast updates that will increase Renton’s housing targets beyond current levels; and

   3. They are inconsistent with the assumptions made for the Buildable Lands Analysis on which updates to the Comprehensive Plan must be based.

   Neither city staff, nor the Planning Commission, nor the City Council can repeal The Law of Supply and Demand, or keep its inconvenient truth from affecting policy decisions:

   When the supply of a necessity of life (in this case shelter/housing) is not sufficient to meet the actual market demand, the imbalance between supply and demand causes prices to rise.

   If adopted, these proposals will – more so than otherwise would have been the case – cause the City to lose portions of its development capacity (thereby restricting the inventory of housing for working families beyond what otherwise would have been available).

   That, in turn, will cause home prices to rise.
Protecting Your Rights & Your Business

ELECTIONS IN 2014

Laws govern the way in which you conduct your business and affect your bottom line. 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 be reviewing voting records of elected officials. And it’s why your REALTOR® colleagues interview candidates running for office.

This year SKCR will take action in supporting candidates for the state legislature – candidates who share our REALTOR® values. In this year’s primary election, all twenty-seven (27) SKCR-endorsed candidates succeeded and are on the general election ballot.

Do you want to know which candidates support your business and clients in fostering housing choices, strong communities and a vibrant economy? SKCR will release a Voting Guide before the November 4, 2014 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.

SEATTLE KingCounty REALTORS® has raised over $85,000 for RPAC in 2014.

REALTOR® PAC is not funded by REALTOR® dues – only through your voluntary investments.

Invest in RPAC today online at http://www.warealtor.org/government/political-affairs/

Governmental Affairs Committee Leadership

VP of Governmental & Public Affairs Patti Hill: pattih@windermere.com
VP-Elect Governmental & Public Affairs David Irons: davidirons@cbain.com
Governmental & Public Affairs Director David Crowell: dcrowell@nwrealtor.com
Housing Specialist Sam Pace: sam@sampace.com
Housing Specialist Randy Bannecker: randy@bannecker.com
Public Relations Specialist Cheri Brennan: cheri4pr@sprynet.com