

Craig Spiegle

From: Craig Spiegle
Sent: Thursday, March 2, 2023 2:20 PM
To: Jessica.bateman@leg.wa.gov
Cc: Slatter, Rep. Vandana; Walen, Rep. Amy; Ryu, Rep. Cindy; My-Linh.Thai@leg.wa.gov; Tana.Senn@leg.wa.gov; Patty.Kuderer@leg.wa.gov; Robinson, Lynne; Adkins, Genesee
Subject: RE: Recommended Amendments to Substitute House Bill 1110

Dear Representative Bateman,

I would like to thank you for your service and commitment to housing issues. For the record I support the overarching goals of the substitute Bill. As empty nesters my wife and I would love to downsize to a new town home which would meet future accessibility needs in our neighborhood. This Bill make make that possible. That said it is important to get this Bill right. It is a “on-way door” with some long term implications and opens the door to some significant unintended consequences, many of which have been realized in others cities as noted below.

Reviewing your responses, it appears I have not adequately articulated the concerns and would like to provide added context. I would welcome the opportunity to meet or speak so we could better understand each other’s concerns.

1. Provide Cities One Year to Develop Comp Plans – I have reviewed your response with the Bellevue city staff and understand Bill as written does not address this concern. I am glad you agree the Bill should be a strong incentive to encouraged Cities to develop plans and recognize that they best understand the issues and limitations to their respective cities. I will defer to the City of Bellevue to articulate how the Bill can be optimized to address these concerns. (I have copied Bellevue Mayor and Genesee Adkins to provide context).
2. Override Pre-Existing Declarations and Covenants – I realize this is political charged, but I believe there is case law which supports such a pre-emption. Retaining such an exemption creates social, economic and environmental injustice. In effect the Bill is discriminatory to other less affluent neighborhoods do not have such CC&R's or have the means to hire an attorney to draft them before the effective date of the Bill. Further I ask you to look at Cities such as Bellevue who have very large sections with such CC&R's. Add up all of the homes in Summerset, Lake Hill, Vuecrest, Bridle Trails, Tam o’Shanter and others. The burden to force the density (not to mention traffic, environmental and utility impact) on remaining less affluent areas may be insurmountable and cost prohibitive.

The argument that CC&R's are sacred, is same position many took when HOAs drafted and enforced provisions to prohibit people of color or residents who were non-Aryan. In effect you could argue this is doing the same by prohibiting less expensive housing alternatives from being introduced into such communities. As you have stated single family housing is more expensive and by allowing a HOA to prevent such middle housing would create a barrier for a more socially and economically diverse set of home owners, in effect being in violation of the Fair Housing Act. (As I have noted such a preemption would honor all of the other CC&R's).

3. Community Parks: There is no a legal definition of what a community park is, vs a mini or neighborhood park. This creates a slippery slope as cities and neighborhoods will find ways to redefine their parks and keep new parks from being established to prevent the added density, utility impact and street parking related issues that this Bill introduces. For others cities this Bill may thwart efforts to expand amenities within a park or acquire adjoining properties for the risk of a small neighborhood park being redefined as a community park. Combined these and other issues support the removal of a “Community Park” from the Bill. Its’s inclusion does little to expand middle housing and yet has many downsides.
4. Prohibition of Short Term Rentals – While I understand your thoughts a city could elect to enforce a prohibition on short term rentals, I believe such creating such a code would be problematic targeting only new middle housing units and would conflict directly with the Bill as drafted. I encourage you to look at how such rentals

have negatively impacted cities such as Leavenworth efforts to expand housing. <https://www.spokesman.com/stories/2020/dec/23/debate-over-short-term-rentals-comes-to-washington/> Just last week the Governor was in Leavenworth discussing this very issue. https://www.wenatcheeworld.com/business/inslee-visits-leavenworth-to-discuss-local-housing-problem/article_3f1acc0e-b491-11ed-bf9b-33e0ea81654a.html. There is a wealth of data that confirms this issue throughout the country. <https://mrsc.org/stay-informed/mrsc-insight/december-2021/affordable-housing-and-the-impact-of-short-term-re> Related issues include the negative impact to the neighborhoods including excessive noise, parking conflicts, to name just a few. An alternative might be to revise the Bill to specifically state that local cities and municipalities may create local code amendments to prohibit short-term rentals specific to all new middle housing as provided by this Bill.

5. **Foreign Investment / Unoccupied Housing:** This is a known issue and has directly impacted home pricing and availability in many parts of Western Washington. Other States including NY and Hawaii have figured this out. I am not aware of any issues in our state constitution (please provide if I am wrong). The Bill could address international investment treaties by stipulating the properties must be occupied by either the owner for 180 days a year or more or a tenant irrespective of the citizenship of the purchaser. In this manner the Bill would not be discriminatory and not conflict with international treaties. As I understand this is in essence how Vancouver BC handled this concern.

I look forward to your input. Working together we can make this Bill work and be fair for all involved.

Respectfully

Craig Spiegle

From: Slatter, Rep. Vandana <Vandana.Slatter@leg.wa.gov>
Sent: Tuesday, February 28, 2023 7:55 PM
To: Craig Spiegle <craigsp@agelight.com>
Subject: Fwd: Recommended Amendments to Substitute House Bill 1110

Hi Craig - I forwarded this to the prime sponsor to see your concerns/questions. Please see her responses below.
Warm regards,
Vandana

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From: Bateman, Rep. Jessica <Jessica.Bateman@leg.wa.gov>
Sent: Tuesday, February 28, 2023 7:19 PM
To: Slatter, Rep. Vandana <Vandana.Slatter@leg.wa.gov>
Subject: RE: Recommended Amendments to Substitute House Bill 1110

Hi Vandana,
Thank you for sending the questions you received. See my responses below. Please let me know if you have any other questions.

Best,
JB

From: Slatter, Rep. Vandana <Vandana.Slatter@leg.wa.gov>
Sent: Tuesday, February 28, 2023 3:40 PM
To: Bateman, Rep. Jessica <Jessica.Bateman@leg.wa.gov>
Subject: Fwd: Recommended Amendments to Substitute House Bill 1110

Hi Jessica,

Thanks for the chat today. See more details for recommendations from the community group we discussed. V

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From: Craig Spiezle <craigsp@agelight.com>

Sent: Tuesday, February 28, 2023 2:31:01 PM

To: Slatter, Rep. Vandana <Vandana.Slatter@leg.wa.gov>

Subject: Recommended Amendments to Substitute House Bill 1110

CAUTION: External email.

February 28, 2023

Representative Vandana Slatter

Washington State Legislature

Olympia, WA 98504

Re: Recommended Amendments to Substitute House Bill 1110 and Senate Bill 5190

Dear Representative Slatter,

I am writing to express my concerns on the recently introduced substitute House Bill 1110. While I appreciate the efforts that have been made to improve the Bill, I believe that it still has several key deficiencies which need to be addressed. If left unattended, these deficiencies could undermine the effectiveness of the Bill, introduce social and economic injustices while creating unintended consequences. I am requesting your assistance in addressing the following key concerns:

Provide Cities One Year to Develop Comp Plans – The Bill as stated only applies to a city’s comp plans completed as of January 1, 2023. The Bill does not appreciate or recognize local planning efforts in progress. As written the Bill eliminates the potential to exceed the Bill’s goals and achieve them at a lower cost and reduce the impact to communities including the environment, infrastructure, traffic and pedestrian safety. Please support the one-year exemption to complete this work in progress.

- a. Bellevue would need to pass development regulations by June of 2025. Nothing precludes a city from exceeding the minimum density in the bill. The bill sets a floor for what is legal to build. Cities can be more ambitious or prescriptive in certain areas above the floor. Because we roll implementation into the cities next comprehensive plan update, public engagement and alignment with capital facilities plans will occur concurrently. There are provisions in the bill that give cities the ability to postpone implementation if they demonstrate an actual infrastructure deficiency. In addition, pedestrian safety is explicitly called out in the parking requirement section of the bill.

Override Pre-Existing Declarations and Covenants: To maximize social, economic and environmental justice, this Bill must override pre-existing Covenants, Conditions, and Restrictions (CC&Rs). Failure to provide an exemption would unfairly shift density and infrastructure burden to adjacent and typically less affluent neighborhoods. Further if not addressed, the Bill will likely spur other neighborhoods to draft similar CC&Rs shifting the burden to other less prosperous neighborhoods. As I am proposing, this preemption would not

impact other remaining conditions such as height and view limitations, parking regulations, design restrictions and setbacks as specified by the an HOA's CC&Rs.

- a. The bill applies to any prospective HOA to ensure CC&Rs don't get created as a way to avoid the requirements of the bill. It does not apply to current HOAs. There are constitutional concerns that applying the bill's provisions retroactively and overriding existing private contracts (declarations or governing documents) could be found to impair a contract and/or infringe on a vested right. For this reason, we apply the bill to future HOAs. It should also be noted that single family zoning excludes the most modest home choices from being built which is inequitable itself.

Community Parks: The substitute Bill introduced "community parks" a type of community amenity, which lacks a universal definition. It is recommended that this term be removed entirely from the Bill due to its wide-ranging impact. If the provision is retained, it may negatively affect cities that are developing or enhancing parks and public spaces, due to the risk of triggering certain conditions of the Bill. If retained, as a starting point a community park should be defined as a park larger than 10 acres, featuring off-street parking and restrooms. This is because these amenities encourage greater use beyond the immediate neighborhoods to the broader community at-large.

- a. Parks was refined to community park entrances because cities wanted to limit the area that the bill would apply to. The infrastructure and parking provisions still apply.

Prevention of Short-Term Rentals: The Bill is silent on the prevention of new units from being turned into Airbnb's or short-term rentals. Allowing new middle housing units to be used for short-term rentals would be counter to the objectives of the Bill and reduce housing stock. The Bill should empower Cities to enable short-term rental restrictions.

- a. State law currently gives cities the right to regulate short-term rentals.

Foreign Investment / Unoccupied Housing: There continues to be a risk of foreign investors purchasing middle housing for investment and visa related purposes. As experienced in many cities in the Northwest and Vancouver BC, properties are not occupied year-round. In the past this foreign cash buyers have fueled bidding wars, at times pricing residents out of the market. To address this risk, it is recommended the Bill specify minimum occupancy requirements and/or legal residency status.

- a. It is unclear whether the state can preclude home ownership by investment type and questions about the constitutionality of doing so. If so, it would be outside of the scope of this bill.

Thank you for taking the time to consider my recommendations. Working together we can refine this Bill to help expand middle and affordable housing while helping to protect our neighborhoods and environment for future generations.

Respectfully,

Craig Spiezle

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