

# Issues & Impacts

Seattle King County REALTORS® (SKCR) is working to ensure that public policies support homeownership and your business's bottom line. Please contact Governmental & Public Affairs Director David Crowell at [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com) with any local legislative issues that may need our attention. **The next issue will be released in July 2020.**

## In this issue:

[Seattle Bans Winter Evictions >](#)

[Seattle Green New Deal >](#)

[Renton - New Restrictions on Residential Vehicles >](#)

[Maple Valley Ranked 7th Safest City in Washington >](#)

[Tax Amazon >](#)

[REALTORS® Support Strong School Districts >](#)

## Housing Supply

### Affordable Housing: Bothell & Shoreline Multifamily Property Exemption

The Multifamily Property Tax Exemption (MFTE) Program provides a tax exemption on eligible multifamily housing in exchange for income- and rent-restricted units. SKCR is active in encouraging cities to take advantage of the Multifamily Tax Exemption program as a valuable tool that enables the private sector to create income-qualified housing and historic preservation.

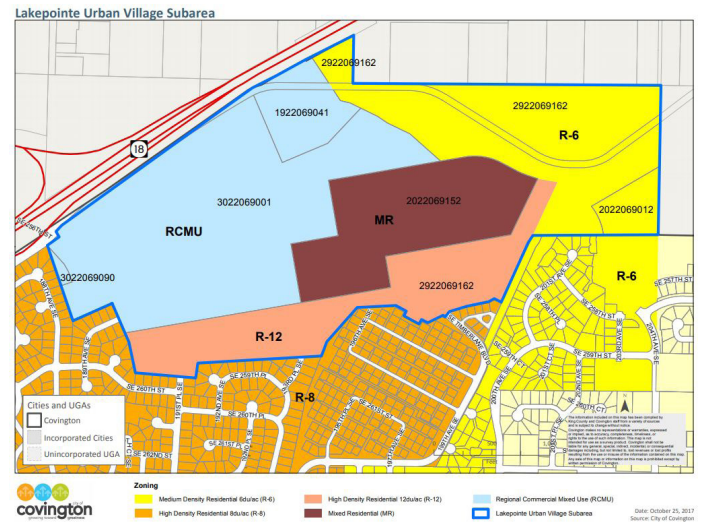


Over the past months, SKCR has encouraged the cities of Bothell and Shoreline to take advantage of this program as they contemplate MFTE. Our advocacy points include:

- We encourage cities to gear their MFTE programs to attract the greatest number of prospective developers to participate in the program, which will yield the greatest number of income-qualified units.
- We encourage cities to allow MFTE in all zones allowing multifamily housing. This approach will attract the greatest number of program participants and will avoid concentration of MFTE units.
- We encourage cities to adopt the maximum 12-year time frame with the affordability requirement sunseting at the end of 12 years.



# Issues & Impacts



Rendering and sitemap of the LakePointe project in Covington (press images to view enlarged PDF)

## Covington - LakePointe Project Placed in Limbo because of Initiative - 976 (I-976)

The Central Puget Sound Region faces a critical and growing deficit of newly constructed housing units.

In South King County, one of the yet-to-be-built promising bright spots to help address the inventory shortage is Covington's new Lakepointe Master Planned Community. At full-build-out, LakePointe will include more than 1,500 new housing units and 1.3+ million square feet of commercial space.

But the LakePointe project - which is being built by Oakpointe Communities - has been placed in limbo until the state decides which of the "previously approved" road projects will be funded as planned, and which will be delayed, in the wake of voters approving I-976 last November.

After I-976 passed, Governor Jay Inslee directed the Washington State Department of Transportation to postpone projects not yet underway. In the meantime, a legal challenge was filed in an attempt to overturn the decision of voters. However, a Superior Court judge recently ruled against Seattle,

King County and other government entities, holding that I-976 was constitutional. However, the judge did not require the state and local governments to comply with the trial court's ruling while the matter is on appeal, most likely to the Washington State Supreme Court.

The "Covington Connector" is one of those transportation projects "put-on-hold" as a result of the Governor's directive. The \$50 million project will connect Southeast 256th Street (at the Highway 18 on and off ramps) to State Route 516/Kent Kangley Road. It will provide an additional by-pass through downtown Covington for people heading to and from LakePointe.

According to Oakpointe Communities Director of Marketing, Jon Lakefish, until the Covington Connector project is able to move forward, development of the LakePointe Master Planned Community will be stalled.

The 214-acre LakePointe project is located at 18808 SE 256th Street off Highway 18 at the site of the former Lakeside Gravel Mine.

## Tenant Protections

### Seattle Bans Winter Evictions

The Seattle City Council passed legislation sponsored by Councilmember Sawant that bans evictions in winter months.



The ordinance is modeled on a ban in Paris, France, adopted in the mid-1950s. It prohibits evictions between November 1 and April 1 in cases where permanent replacement housing is not available.

The ban applies only if the tenant is facing eviction and appears in court to assert the eviction. It builds on legislation passed by the Legislature last year that allows judges to hold eviction actions for a five-day right to cure period or compel parties to agree to a 90-day payment plan.



*Snowy Capitol Hill in Seattle (Photo Courtesy of [Joe Wolf](#))*

SKCR was successful in advocating for amendments that significantly toned-down Sawant's original proposal. The majority of amendments were sponsored by new Councilmembers Lewis, Pedersen and Strauss, and supported by a majority of the council. This was a much-welcomed signal of moderation from the three new Councilmembers.

The amendments include:

- Councilmember Lewis sponsored an amendment to create a mitigation fund to compensate landlords for lost rent. (This measure will require funding in this fall's budget.)
- Councilmember Pedersen sponsored an amendment to exempt landlords with four or fewer units.
- Councilmember Strauss sponsored two amendments: 1) narrowing the ban from five months to three; and 2) applying the ban to households at or below area median income.
- Councilmember Herbold sponsored an amendment expanding the eviction justification of unlawful behavior to include the health and safety of other tenants and the owner.

### Federal Way - City Voters Approve "Stable Homes" Initiative to Limit Evictions

Federal Way's City Council rejected the idea as not well-advised.

But in November, tenant protection advocates were able to convince Federal Way voters to approve an initiative that housing industry experts say is extremely shortsighted and could end up doing

great damage to the most economically vulnerable renters in Federal Way.



**Full initiative:**  
<https://www.stablehomesfederalway.com/initiative-19-001>





# Issues & Impacts

There is growing concern the measure approved by voters is likely to:

- Discourage builders and investors from constructing new rental housing units in Federal Way - which will artificially limit rental housing supply in the City and exacerbate the inability of lower-income households to compete for the limited number of rental units as the population grows. More population means an increase in demand for housing. Without more rental housing units to meet growing demand, rents could increase dramatically. Results could be devastating for the most economically vulnerable households in the community, including the poor and seniors on fixed incomes.
- The measure could also create new economic incentives for current owners of rental properties in Federal Way to convert their properties to condominiums, thereby reducing the number of rental units available in the city. This too will artificially constrain the supply of rental housing in Federal Way and leave lower-income households less-able to compete for a reduced number of rental units. At the same time, with population and housing demand increasing, rents will rise and the most economically vulnerable households in the City will be crushed the hardest by well-intended (but naïve and seriously misguided) policy initiatives that produce enormous unintended consequences.

Leading the effort to pass the initiative were Federal Way City Council members Martin Moore and Jesse Johnson. Johnson recently resigned from the City Council after appointed to serve in the state legislature to fill the position of Rep. Kristine Reeves who announced her running for Congress.

Both Johnson and Moore have announced that they will run for election to the legislature

later this year. Moore plans to run for the seat being vacated by Mike Pellicciotti (who announced he will be a candidate for the position of State Treasurer instead of seeking re-election to the House of Representatives), and Johnson will run for re-election to the seat to which he was recently appointed.



Jesse  
Johnson



Martin  
Moore

According to supporters, the Initiative (#19-001) was intended to:

- Require landlords to comply with tenant protection laws and show good cause before evicting a tenant;
- Prohibit retaliatory evictions;
- Prohibit discriminatory evictions based upon the tenant's status as a member of the military, first responder, senior, family member, health care provider or educator;
- Extend these protections to lease renewal actions, and
- Adopt penalties and procedures.

The Rental Housing Association - comprised mostly of rental property owners - sued to block Initiative 19-001 from getting on the ballot, but the courts denied the requests for a restraining order and an injunction.

In the meantime, organizers and volunteers supportive of the initiative say they created a website ([StableHomesFederalWay.com](http://StableHomesFederalWay.com)), knocked on more than 30,000 doors, and collected about 10,000 signatures in roughly two months. The Martin Luther King County Labor Council, Federal Way Education Association, and tenant organizations endorsed the initiative.

## Regulatory Issues

### Seattle Green New Deal

As reported last fall, the Seattle City Council is developing a [Green New Deal](#) for Seattle inspired by the Green New Deal introduced by progressives in Congress.



The council intends to pursue a range of initiatives relating to carbon reduction, development of “green jobs,” and funding for new programs in disadvantaged communities. It includes an aggressive, 10-year goal to make Seattle free of climate pollutants, meaning those that cause shifts in climate patterns, including carbon dioxide, black carbon, methane, nitrogen oxides, and fluorinated gases.

Leading off the Green New Deal is a proposed prohibition on natural gas piping in new construction.

SKCR, in collaboration with Puget Sound Energy, Labor, the Building Owners and Managers Association, and others, succeeded in moving the proposal off the fast track, arguing that a thorough analysis of the impacts and input from all stakeholders are critical first steps in a city in which almost 150,000 homes and businesses use natural gas for heating and cooking.

SKCR is particularly concerned that the prohibition on gas service in new construction could easily expand to a prohibition on selling an existing home with oil heat and/or natural gas, enforced at the point-of-sale.

Currently, the City is researching the feasibility of the proposal. While the added time and research is a near-term “win,” we expect the council and advocates to continue to push for passage and we will continue to work with our coalition to defeat the proposal.

### Seattle Tree Protection

While Seattle’s tree canopy covers about one-third of the city’s land, there is a strong and vocal constituency for stronger protections, further limiting tree removal and requiring replacement of any trees greater than six inches in diameter that are removed from a property.



SKCR has been engaged in tree discussions with the City for many years. We have urged that City tree policies truly balance quality of life with housing supply and recognize that compact urban development is the best way to protect rural and resource lands from sprawling development. Too often, we have seen advocates use tree regulations as a tool to restrict housing density and redevelopment.

SKCR will be meeting with the City as it begins outreach on proposed amendments this spring. We anticipate a council debate in late summer.



# Issues & Impacts

## Renton - New Restrictions on Recreational Vehicles (RVs) in Residential Neighborhoods



The Renton City Council has approved new restrictions on the ability of property owners to park recreational vehicles in residential neighborhoods.

The definition of “recreational vehicles” includes motor homes, boats, boat trailers and utility trailers. The ordinance also applies to cars and other vehicles parked in the yard of residential properties.

Ordinance 5959 regulates parking or storing RVs on every residentially zoned lot that has one or more dwelling units constructed on the property, except for loading and unloading activities completed within three days within a two-week period.

The new code amendment establishes a “hierarchy” of requirements regarding where, and how, RVs must be parked or stored. The hierarchy is intended to take into account physical constraints presented by the property, and conflicts with other code provisions. It also includes an opportunity for the City to take into account special challenges and limitations confronting individual property owners.



The hierarchy in the code requires RVs to be parked/stored in the first of the following options that can be reasonably accommodated on the property:

1. Within a vented garage, or a carport;
2. In a side or rear yard and parked at least five feet from property lines for recreational vehicles taller than eight feet, whether on or off a trailer. If parked broadside to a street on the side or rear of a lot, the RV must be sight-screened from that street;
3. On a driveway in the front yard: Parked at least five feet from the side property line and perpendicular to the street;
4. In other locations determined by the Administrator to be less obtrusive than the above locations. Screening may be required to meet this standard; and
5. If none of the above locations are feasible, the recreational/utility vehicle must be stored off-site.

In order to provide property owners with time to comply with the new requirements, the RV-related provisions in the ordinance will not take effect before December 9, 2020. Violation of the ordinance by any person who owns (or is in control of) the property can result in the person being charged with a misdemeanor under the city’s criminal code.



The ordinance also removes the “four-vehicle limit” on properties, as long as all vehicles are registered to that address, except that permits are required for some commercial and large vehicles. No disabled or unlicensed vehicles or boats can be stored or parked in the yard, unless they are parked away from public view in a “fully enclosed building at all times,” according to the ordinance.

Separately, the City Council also amended Renton’s code to make it easier to live in a RV, or camper vehicle, on a residential property. It’s now legal to live in a motorhome, travel trailer or camper, but only for not more than one week within any six-month period; otherwise, the City requires residents to obtain a temporary use permit, which allows residence in the vehicle for up to 30 days. The permit may be renewed up to four times each year.

### **Maple Valley - Downtown Development Moratorium to Remain in Effect**

Maple Valley’s City Council has extended the building and development moratorium it approved for the area known previously as “Downtown Maple Valley.”



Last summer, the Maple Valley City Council voted unanimously to enact the moratorium. Subsequently, the City Council assembled a Downtown Design Guidelines Committee to review and recommend appropriate [codes](#) and standards for this new downtown area. The moratorium is intended to maintain the status quo



*Maple Valley (Photo courtesy of [Visco-Light](#))*

until the City completes its plans for the area, including zoning and development code provisions to regulate new construction so that it will be consistent with the City’s plans for the area.

However, under state law, a development and building moratorium can only be in-effect for six months at a time and must then be renewed or modified. Otherwise, it automatically expires. Renewal requires both action by the City Council, as well as a public hearing to receive testimony on whether or not the moratorium should be extended. The Planning Commission held a public hearing to solicit comments, but none were received.

The Maple Valley City Council has once again extended the existing moratorium until July 6, 2020, unless the Council takes action before then to repeal, renew or modify the moratorium.

The moratorium prohibits the acceptance of all development permit applications, including (but not limited to) building permit applications, and site development permit applications, affecting any portion of the property the City has identified as the intended location for a new Downtown Maple Valley.





# Issues & Impacts

## Legal Actions

### **FEDERAL WAY - New Court Cases Place Constitutional Limits on the Cities' Ability to Regulate Begging and Panhandling that's Protected as Free Speech & Expressive Activity**



In the wake of increasing concern about public safety, especially in public places, cities are facing additional new challenges - in the form of court decisions - that place new limits on how municipalities address panhandling and begging.

One example of how cities are responding is available from Federal Way: Mayor Jim Ferrell and members of the City staff are recommending the City Council approve revisions to portions of city code that regulate “pedestrian interference” in order to ensure city enforcement actions against beggars and panhandlers remain consistent with evolving case law at the intersection of begging and Freedom of Speech.

According to the City, decisions by federal and state courts have held that charitable appeals for money - including appeals in the form of begging and panhandling - are constitutionally protected as a form of Free Speech. Regulations that target the “content” of speech (such as prohibiting begging and appealing for money) are presumptively an “unconstitutional content-based prior restraint” on Freedom of Speech.

The Federal Way city staff has recommended removing all references to begging from the City code. They have suggested that

the City should instead rely on language in other criminal code sections that address unlawful conduct, such as intimidation, threats, violence, unwanted touching, and trespassing. Otherwise, efforts to address criminal conduct may be thrown out by the courts as unconstitutional.

The City Council was advised that after it enacts the proposed revisions to the City’s code, the City police officers and prosecutors will remain authorized to make arrests and file criminal charges against persons for harassment, assault, and trespassing without unconstitutionally constraining free speech. The revisions will not eliminate portions of the code prohibiting “pedestrian interference” that involve obstructing traffic on the roadway or sidewalk (without reference to the constitutionally protected act of begging for money).



In addition, the City staff also advised the City Council that it anticipates little, if any, effect upon revenues that the City currently receives from fines imposed in connection with unlawful begging and panhandling.



## Auburn - Former Councilmember Largo Wales Loses Lawsuit Against City and Mayor



Mayor  
Nancy  
Backus



Largo  
Wales

Wales claimed the defendants had violated her freedom of speech and privacy rights under the Washington State Constitution, and she sought special damages for loss of potential earnings, as well as general damages for pain, suffering and mental anguish, in addition to costs and attorney fees. She amended her complaint twice before the defendants ever responded.

For King County Superior Court Judge Nicole Gaines Phelps, it came down to this:

*Even if everything the former Auburn City Councilmember claimed in her lawsuit was actually true, it wasn't enough. As a matter of law, former Auburn City Councilmember Largo Wales didn't have a case, and no trial was necessary. She lost on every count. All the defendants won.*

At the heart of Wales' lawsuit was an allegation that information from a meeting with the City's Human Resources Director - reportedly held to address a perceived transgression by Wales - had been released and used inappropriately in connection with the 2017 Election for Auburn Mayor that pitted Wales against incumbent Mayor Nancy Backus.

In her August 2019 lawsuit, Wales named numerous defendants, including the city of Auburn, Mayor Nancy Backus (in her official capacity as Mayor), Nancy Backus (personally) along with her marital community, former city of Auburn Human Resource Director Rob Roscoe and his marital community, and the Committee to Elect Nancy Backus.

Before trial, the defendants moved to have the case dismissed as legally insufficient as a matter of law. After reviewing the record and listening to oral argument on the motions, Judge Nicole Gaines Phelps agreed with the attorneys for the defendants and dismissed all of Wales' claims, with prejudice.

## In Other News

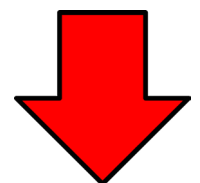
### Federal Way - Police Report Crime is Down 9%!

REALTORS® know that safe neighborhoods and good schools are top priorities for homebuyers.

So, Federal Way Police Chief Andy Hwang had good news to share when he announced recently that the overall crime rate in the city of Federal Way was down in 2018/2019, compared to 2017/2018.



Crime  
down  
by 9%!





# Issues & Impacts

Last year, one of the top priorities for the Federal Way Police Department was to reduce the number of robberies, which had increased from 170 to 233 - or about 35% - in 2017/2018. According to city officials, the number of robberies in Federal Way decreased by 33% last year, from 233 to 156.

In addition, forcible sex offenses declined by 48%, from 130 to 67, and thefts of motor vehicles were down by 22%. Narcotics-related crimes dropped by 46%.

Four fatal shootings occurred in Federal Way in a three-week period between the middle of December 2019 and the end of the first week of January this year. There was also a cluster of three murders in 2019, compared to a single murder in the City in 2018. The clusters of murders have been isolated, but received high-profile attention in the media.

Chief Andy Hwang said that in addition to drugs, a significant factor in increased crime, including murder, is domestic violence.



*Federal Way Police  
Chief Andy Hwang*

While reports of kidnapping rose significantly in 2019, Hwang indicated those situations were usually related to domestic disputes, and that every victim of kidnapping in 2019 was returned safely and without incident.

The city of Federal Way uses the National Incident-Based Reporting System (NIBRS) which tracks a total of 27 crimes, unlike the FBI's Uniform Crime Reporting System (UCR) which only tracks eight categories of crime.

## Maple Valley - City Ranked 7th Safest in Washington State by LawnStarter



*The City of*  
**MAPLE VALLEY**  
*Washington*

The city of Maple Valley announced that it has been ranked as "The 7th Safest City In The State" on the "Washington Safety: Safest and Most Dangerous Cities in Washington State" list released by LawnStarter.com.

To identify the safest (and most dangerous) cities in Washington, LawnStarter reviewed data on eight categories of crime for which the FBI collects and reports crime statistics, including information on arson, aggravated assault, burglary, larceny-theft, motor vehicle theft, murder, rape, and robbery.

According to the city, LawnStarter weighted each crime based on the average amount of jail time per crime, using data from the U.S. Department of Justice's most current report regarding "Time Served in State Prison." The

longer the average sentence, the greater the weight given the crime. Crimes were then separated into two categories: violent crime and property crime. Each city's weighted average across all metrics were calculated to determine their overall "Danger Index" score. The lower the number, the safer the community.

Other highly ranked cities include Camas, Oak Harbor, Sammamish, Kenmore, Bainbridge Island, Pullman, Lake Stevens, Mill Creek, and Mercer Island. Full report: [www.lawnstarter.com/blog/safest-states/washington-safety-safest-and-most-dangerous-cities-in-washington/](http://www.lawnstarter.com/blog/safest-states/washington-safety-safest-and-most-dangerous-cities-in-washington/).

According to the their website, LawnStarter connects consumers with vetted, insured, experienced lawn care professionals who provide guaranteed lawn-related services throughout the U.S.

## SeaTac & Burien - Partners on Environmental Project with Port of Seattle & Ecology



SeaTac and Burien have agreed to enter into an Interlocal Agreement for the construction of the "Miller Creek Realignment and Daylighting Project" which will provide environmental enhancements to Miller Creek (which is a salmon bearing stream) as the creek leaves Burien and crosses Des Moines Memorial Drive into the city of SeaTac.

The project will also include a new stream crossing under Des Moines Memorial Drive that will eliminate the need for the city of SeaTac to remove and replace an existing culvert which needs repair or replacement. Construction of the project is scheduled for 2020.

In addition to providing a new fish-passable stream crossing, the project will remove Miller Creek from a failing private conveyance system that runs underneath a Des Moines self-storage business before it discharges into a Port of Seattle-owned wetland to the south. The private culvert is in poor condition and has suffered multiple pipe separation events leading to sinkholes and significant amounts of sediments being deposited into the downstream wetland system.

Project benefits include:

- Improved water quality and habitat within the creek (achieved by flattening the slope of the creek to reduce erosive flows);
- Creation of additional floodplain to allow the water to spread out during high flows;
- Restoration and creation of higher quality riparian habitat along Miller Creek;
- Replacement of failing culverts with new fish-friendly culverts; and, "Daylighting" a portion of Miller Creek above ground.

Construction costs, based on the 90% design, are estimated at \$3.5 million, of which \$1.22 million has been identified as improvements within the city of SeaTac. However, the Interlocal Agreement provides that the city of SeaTac will only have to contribute \$985,000 towards the project because the City is sharing grant funding with Burien. Besides Burien and SeaTac, additional funding and grants for the project are being provided by the Port of Seattle and the Department of Ecology.

SeaTac will spend up to \$985,000 from portions of the City's Surface Water Fund that would otherwise be spent to address the City's failing culvert, which is less than the stand-alone cost of the culvert replacement if SeaTac does not participate in the project.



*Downstream view of top waterfall on Miller Creek. Abundant Cutthroat trout and Coho salmon juveniles were found in the pool during May 2003 surveys.*

*(Photo courtesy of King County)*





# Issues & Impacts

## Federal Way - Contentious Dispute Between the City and School District



**FEDERAL WAY  
PUBLIC SCHOOLS**

Construction of three Federal Way school projects are reportedly a year behind schedule and perhaps as much as \$10 million over budget. City and school district leaders have locked horns in a contentious dispute about who is to blame. Mayor Jim Ferrell has offered comments on the school district's staffing, and School District Superintendent Tammy Campbell has questioned the City's permitting process.

The School District has indicated the opening of three new schools will be delayed, at a cost of \$8 - \$10 million.

According to Sound Publishing, Campbell was questioned last December about the permitting process challenges while she was at a legislative breakfast in Federal Way. The City was apparently non-plussed at the Superintendent's response, and on December 17th the City published a detailed memo outlining the City's work with the District throughout the two-year pre-construction process.

The situation quickly became a highly publicized dispute in the local media.



*Supt.  
Tammy  
Campbell*



*Mayor  
Jim  
Ferrell*

The School District has advised Lake Grove, Mirror Lake and Wildwood elementary school parents about the status of new school construction, and delays in the opening timelines. Those elementary schools were originally scheduled to open in the fall of 2020, but due to the delays the schools are now tentatively set to open sometime in December, or in early 2021.

## Black Diamond - City Wrestles with How to Best Provide Fire Protection Services

The city of Black Diamond doesn't have its own Fire Department.

Instead, the City contracts with Mountain View Fire and Rescue District #44 (MVFR) to have the Fire District serve as the Fire Department for the City.

The way it works is that the city of Black Diamond and MVFR enter into a contract



(an Interlocal Agreement, or "ILA") that spells out the fire services the District will provide, and the amount the City will pay for those fire services each year. The most recent contract between the City and the Fire District was agreed to in 2006.

Since its formation in 1953, MVFR #44 has grown. It now provides fire services to an area that encompasses 70 square miles, including the city of Black Diamond and much of the Muckleshoot Indian Tribe. The District is governed by an elected 5-member

Board of Commissioners and utilizes a combination of 22 career firefighters, and approximately 50 volunteers, that include Firefighters, Emergency Medical Technicians (EMTs) & Wildland Firefighters who report to the District's new Chief, Vic Pennington. Pennington recently resigned from his position on the Des Moines City Council when he was promoted and named Chief of MVFR District #44.

All of the career firefighters at MVFR, and most of the volunteers, are certified EMT's with defibrillator certification.

MVFR has eight fire stations. The fire station closest to Black Diamond is located near the Sawyer store.



Last November, MVFR #44 announced it had been unable during the last three years to make progress on contract negotiations with the city of Black Diamond. As a result, MVFR advised the City that the 2006 interlocal agreement between MVFR and the City would not be renewed on January 1, 2023, and MVFR would cease to provide fire department services in the city of Black Diamond.

In the meantime, under the interlocal agreement (the fire services contract) between MVFR and Black Diamond, the City

is obligated to pay MVFR about \$571,000. According to the 2006 interlocal agreement, the City will pay Mountain View a flat rate, plus an annual increase based on the All Urban Consumers Price Index (CPI\_U).

Black Diamond is the only city that receives services from MVFR on a contractual basis. All other cities served by MVFR have been annexed into the District and property owners pay taxes directly to MVFR.

The District does not collect funds on a "per person" basis, but if evaluated by that metric the amount per person paid by the city of Black Diamond for its residents is roughly comparable to the amount per person being collected by the District from property owners. However, if residents in Black Diamond were paying into the District based on the value of their property (instead of the District contracting with the City), MVFR would be collecting more funding than it receives under its contract with the city of Black Diamond.

So, MVFR would prefer to have residents of Black Diamond vote to be annexed into the District prior to the current contract expiring, which would give the District the ability to tax Black Diamond residents directly, instead of having to negotiate with the City.

In the meantime, Mountain View wants Black Diamond to agree to have payments be based on assessed property values in the city. But Mayor Carol Benson says the City is not in a position to agree to the request because of the lack of retail and sales tax revenues that would be needed to fund the proposed increase.



# Issues & Impacts

---

The city of Black Diamond is at a crossroads:

- Will the city of Black Diamond acquiesce to pressure from Mountain View Fire and Rescue and allow citizens to vote on whether or not to be annexed into the Fire District, even if it means city residents will pay more for fire services? For the last three years, and currently, the city of Black Diamond has rejected that option.
- Will the city of Black Diamond create its own Fire Department? In a relatively small town, the option to have firefighters wearing a “hometown” badge on their uniform has some appeal. But the costs are likely prohibitive, perhaps much more prohibitive than what MVFR is proposing.
- Is there another option? The answer may be ‘yes’!

There is reason to believe the Puget Sound Regional Fire Authority (PSRFA) - which is headquartered in Kent - may be willing to provide fire services in the city of Black Diamond. The city of Black Diamond has hired a consultant to help it assess the feasibility of the options available to the City.

The following factors may be part of that analysis:

- The PSRFA was created in 2010 to provide fire services for the city of Kent. Today, Puget Sound Fire provides services to the residents of Covington, Kent, Maple Valley, SeaTac, King County Fire District #37 and King County Fire District #43. PSRFA covers 108.81 square miles and protects a population of over 226,815, according to the agency’s website. The Fire Chief is Matt Morris.
- Puget Sound Fire provides emergency response services including basic life support, fire suppression, hazardous materials, and technical rescue from 13

fire stations. All stations are staffed 24 hours a day, 365 days a year. Advanced Life Support services are provided through King County’s Medic One program. Currently the department employs 326, with 258 of those being uniformed personnel. The 68 civilians are in various roles including administrative staff, mechanics, and public educators.

- Internal support divisions at PSRFA include Fire Administration, Business Administration (Assessment & Planning, Finance, Logistics, and Fire Investigations), Community Risk Reduction (Fire Prevention, Emergency Management, Public Education), Support Services (Information Technology, Facilities and Property Management, FDCARES, and Vehicle Maintenance), and Training.
- PSRFA currently has a fire station in the “donut hole” area of Maple Valley. However, the development agreement for the construction of the new 10 Trails Neighborhood in Black Diamond required the developer to set aside, and donate, land for a fire station inside the 10 Trails Neighborhood.
- The city of Black Diamond, and perhaps even MVFR #44, likely does not have the funding available for construction of the new fire station on the donated land. A more likely scenario for bringing that fire station to fruition is the possibility that Puget Sound Fire would be in a position to get the fire station built.
- Cost is always part of the equation. The contract for services approach might be one possibility. Another might be annexation of Black Diamond into the PSRFA District, especially if that action comes with an enforceable promise of funding for the new fire station in the 10 Trails Neighborhood.



- The PSRFA's sources of funding include both the Authority's own property tax base (for collecting property taxes), as well as a Fire Fee that requires renewal by voter approval every six years.

In November, Covington voters approved swapping out the Fire Fee for a property tax increase. Initially, in 2020, the amount of the Fire Fee and the property tax increase will be the same, but over-time the property

tax approved in November can be increased (without a separate vote by the people on each of those increases) in a way that is not allowed for the Fire Fee.

The city of Tukwila recently considered the possibility of having the Puget Sound Regional Fire Authority provide fire services in that city, and evaluated the cost of doing so, but at the end of the day chose to go a different direction, at least for now.

## Taxation

### Tax Amazon

Seattle Councilmember Sawant has drafted a payroll tax proposal and is keeping her options open to run it as a ballot measure. Her proposal would institute a .7% payroll tax on organizations with gross incomes of over \$7 million. Independent contractors, under her draft payroll tax for Seattle, would be considered employees and thus subject to the payroll tax. Right now, only Councilmembers Sawant and Morales have expressed excitement for this.

Simultaneously (as of this writing), a bill not likely to be passed by the legislature (HB 2948) would enable King County and its cities to impose a High-Income Payroll Tax. The proposal would levy a .25% tax on employers with payroll attributable to an employee with annual compensation of \$150,000 or more.

The proposal emerged with the support of many major employers with the caveat that it included a preemption clause banning cities from imposing additional taxes like Sawant's proposal.

SKCR joined in opposition to the 2018 Head Tax that would have levied a \$275 per



Amazon warehouse (Photo courtesy of [Álvaro Ibáñez](#))

employee tax on Seattle businesses making more than \$20 million. The Council passed the tax and then repealed it following overwhelming public backlash to the legislation.

Then, as now, SKCR is concerned that unbridled taxes on business damage the business climate and chill job growth - ultimately harming the housing market.



## Protecting Your Business

### Elections in 2020

Laws govern the way in which you conduct your business and affect your bottom line. Laws are made by elected officials. This year, elections will be conducted for the state legislature and U.S. Congress. The primary election is on August 4, and the general election is on November 3.

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 review voting records of elected officials. It's why your REALTOR® colleagues will conduct candidate endorsement interviews with candidates running for office.

This year, SKCR will work to protect and enhance your business by reviewing voting records of incumbents, conducting candidate endorsement interviews, and supporting candidates for the state legislature and congress who share our REALTOR® values. Our primary election voting guide will be posted online in July.

### Seattle Campaign Finance Reform

In response to historically high campaign expenditures this past fall, the Seattle City Council has passed two ordinances relating to campaign finance reform and a third is expected in the coming months.

The two ordinances that have passed include:

1. A new prohibition on foreign-influenced corporations from donating to political campaigns and independent expenditures. Foreign-influenced corporations are defined as having single foreign ownership of 1% or more; or two or more foreign owners owning 5% or more; or a foreign owner who participates directly or indirectly in corporate decision making regarding political activities. This ordinance appears to prohibit most publicly traded companies from political contributions.
2. New regulations on disclosure of political advertising and qualified public communications.

The third ordinance would limit independent expenditure committees (political committees that make expenditures in support or opposition to election campaigns without coordinating that spending with a campaign) to contributions of no more than \$5,000. The ordinance appears to create a loophole for organizations like labor unions that receive a large number of small dollar contributions (\$100 or less).

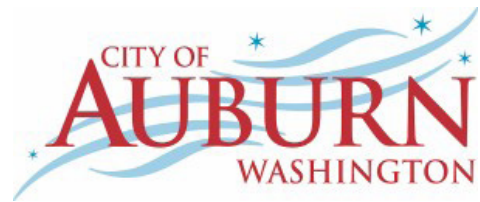
SKCR legal counsel is reviewing the two passed ordinances and the third ordinance still being debated. Initial review suggests that SKCR would be impacted by the second and third ordinances. The third is the most concerning because it limits our rights to, and freedom of, political speech.

## Auburn - Claude DaCorsi Elected Deputy Mayor

Claude DaCorsi, the longest-serving member of the Auburn City Council, has been elected by his fellow councilmembers to serve as Deputy Mayor. The vote was unanimous. As Deputy Mayor, he will fill-in for Auburn Mayor Nancy Backus when needed.

DaCorsi - who is entering his seventh year of service on the City Council - was endorsed by Seattle King County REALTORS® when he ran for office in 2013, and he received the REALTORS® endorsement again two years ago, in 2017, when he ran for re-election.

DaCorsi has deep experience in finance, and in the housing construction industry. His work on the City Council has reflected tremendous common sense, a great love for Auburn, and a commitment to pursuing collaborative solutions that will actually work well for both the residents of Auburn, and the City.



*Claude DaCorsi*

## REALTORS® Take Action to Support Strong School Districts

SKCR voted overwhelmingly to endorse funding requests from four school districts that were on the February 11th Special Election Ballot. All endorsed ballot measures were approved by voters!

The four school districts (and funding measures) that were endorsed by SKCR and approved by voters included the following:

1. Auburn School District's Educational Program and Operations Replacement Levy and a Technology Replacement Capital Projects Levy;
2. Bellevue School District's Capital Bond Measure;

3. Kent School District's Renewal Educational Program and Operations Levy; and
4. Tahoma School District's Educational Programs and Operations Levy and Technology Levy.







# Issues & Impacts

## REALTORS® Political Action Committee (RPAC)



### NEW! An Easy, Quick Way to Protect Your Business - REALTOR® PAC ONLINE

Introducing a new secure, online REALTOR® PAC (RPAC) investment site making it easier than ever for busy REALTORS® to protect their business. We can't all go to Washington

D.C., 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.

[www.warealtor.org/government-affairs-main/rpac](http://www.warealtor.org/government-affairs-main/rpac)

In 2019, SKCR has raised **\$319,700** for the RPAC.

Please invest in RPAC at [www.warealtor.org/government-affairs-main/rpac](http://www.warealtor.org/government-affairs-main/rpac).

---

Issues & Impacts is a quarterly publication produced by Seattle King County REALTORS® to inform members about current issues and successes within your Governmental Affairs Department.

We will release our next publication in July 2020.

Our **2020 VP of Governmental & Public Affairs** is **Dahni Malgarini-Logar** - [dahnim@dahnim.com](mailto:dahnim@dahnim.com)

Our **VP-elect of Governmental & Public Affairs** is **Eddie Chang** - [eddie.chang@rsir.com](mailto:eddie.chang@rsir.com)

Our **Staff Director** is **David Crowell** - [dcrowell@nwrealtor.com](mailto:dcrowell@nwrealtor.com)

Our **Local Legislative Housing Advocates** are **Sam Pace** - [sam@sampace.com](mailto:sam@sampace.com)

& **Randy Bannecker** - [randy@bannecker.com](mailto:randy@bannecker.com)

Please call David at 425.974.1011 ext. 704 if there are any local legislative issues that need our attention.