

## RESOLUTION NO. 2018-12

### **A RESOLUTION of the City Council of the City of Lakewood, Washington, Supporting Changes to the Washington Condominium Act.**

WHEREAS, the Puget Sound region is one of the most appealing, attractive and desirable places in the country to live;

WHEREAS, between 2018 and 2050 the central Puget Sound region is expected to grow by an additional 1.8 million residents, comprising 830,000 new households (PSRC data);

WHEREAS, the central Puget Sound region has experienced sustained employment growth since 2010, with exceptionally strong job growth since 2014 resulting in a dramatic surge in the demand for housing;

WHEREAS, housing construction has increased substantially after recording a low in 2011, yet the construction of new housing units is not keeping pace with job growth and consumer demand and only this year is approaching pre-recession levels of new housing production;

WHEREAS, the Washington Growth Management Act (GMA) planning goal for housing is to encourage the availability of affordable housing to all economic segments of the population of this state, and to promote a variety of residential densities and housing types;

WHEREAS, condominiums represent infill development that promotes GMA planning goals;

WHEREAS, meeting the housing needs of diverse households across a range of income levels is integral to creating a region that is livable and accessible for all residents, economically prosperous, and environmentally sustainable;

WHEREAS, condominiums typically meet the needs of first time homebuyers as well as older residents wanting to downsize from single-family homes and are a less-expensive housing option than single family homes -- yet condo inventory has grown only slightly since 2010 and disproportionately at higher price levels (PSRC data);

WHEREAS, the current regulatory and legal environment for condominium construction in Washington state places significant liability on builders, making it prohibitively costly (compared to other urban jurisdictions) to bring this housing product to the Puget Sound market at an affordable price point;

WHEREAS, the Runstad Center for Real Estate Studies at the UW School of the Built Environment report "*Incentivizing Condominium Development in Washington State: A Market and Legal Analysis*," recommends specific ways to lower the perceived risk and uncertainty imposed by the Washington State Condominium Act, including clarifying the nature of a construction defect, incentivizing repairs rather than monetary damages as a remedy, among others; and

WHEREAS, policy changes to the Washington Condominium Act to reduce builder risk could make condo construction a stronger investment choice for developers, thereby broadening housing options for the region's residents and accelerating the creation of new housing for first time, downsizing and lower-income home buyers;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON HEREBY RESOLVES as follows:**

**Section 1.** The City of Lakewood supports changes to the Washington Condominium Act that will address concerns about excessive litigation risk, and encourage construction of affordable condominiums while maintaining consumer protections.

**Section 2.** Severability. If any sections, sentence, clause or phrase of this Resolution shall

be held to be invalid or unconstitutional by a court of competent jurisdiction, or its application held inapplicable to any person, property or circumstance, such invalidity or unconstitutionality or inapplicability shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution or its application to any other person, property or circumstance.


**Section 3.** This Resolution shall be in full force and effect thirty (30) days after adoption.

PASSED by the City Council this 17th day of September, 2018.

CITY OF LAKEWOOD

  
Don Anderson, Mayor

Attest:

  
Briana Schumacher, City Clerk

Approved as to Form:

  
Heidi A. Wachter City Attorney