

RESOLUTION 1073

CITY OF LACEY

A RESOLUTION RELATED TO CONDOMINIUM LIABILITY REFORM

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

WHEREAS between 2015 and 2045, Thurston County is expected to grow by an additional 100,000 residents and the in the same period, the City of Lacey is expected to grow by 35,000 residents (TRPC data); and

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

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; and

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; and

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

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; and

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 not grown substantially in Lacey over the last decade; and

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 City of Lacey market at an affordable price point; and

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 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, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, that the City Council supports balanced reform to the Washington Condominium Act that will encourage construction of affordable condominiums while maintaining consumer protections.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 15 day of November, 2018.


CITY COUNCIL

BY: 
MAYOR

Attest:


City Clerk

Approved as to form:


City Attorney