

Housing Committee

City of Leavenworth
 City Hall Conference Room & Zoom Conferencing
 3:30 – 4:30 PM
 September 27, 2022

Members:

Open
 Sharon Waters
 Zeke Reister*

Staff: Selby / Lilith

Join Zoom Meeting

<https://zoom.us/j/96751126767?pwd=d0lJV2RRTmxlNGpmY0RiM29wdzBydz09>

Meeting ID: 967 5112 6767

Passcode: 215628

Dial by your location

+1 253 215 8782 US (Tacoma)

Agenda Items:

1. Condominiums in all zoning districts – pro’s / con’s (40 minutes)
2. Workforce InDeed update – (5 minutes)
3. Alley Study (15 minutes)

Future Agenda Items

- a. Grant Funding Options
- b. Mixed Use Incentives
 - i. Focus on employee housing
 - ii. Cost impacts

Committee Goals:

- a. Initiating a discussion regarding the collaboration on regional housing issues and potential regional solutions.
- b. Exploring possible funding options for assistance of work force level housing.
- c. Reviewing and monitoring the implementations of municipal code language as it is developed and approved via the City Council and Planning Commission. The Committee shall evaluate the effectiveness of implementation of the code language.

*Chairperson

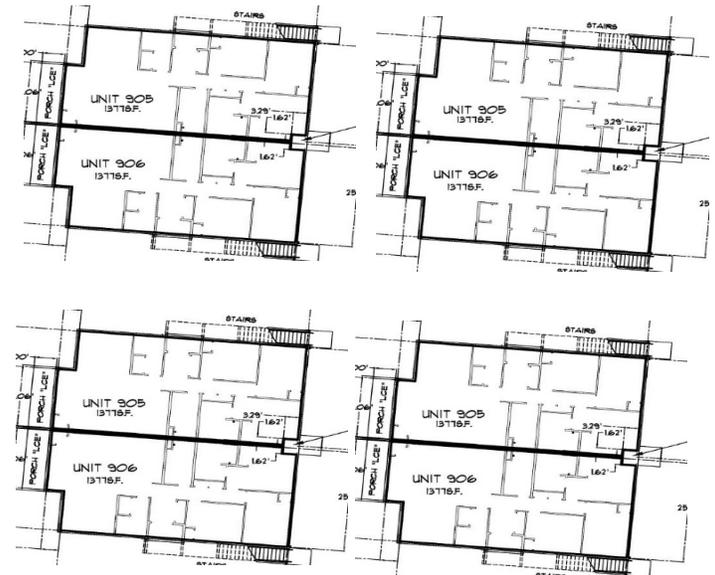
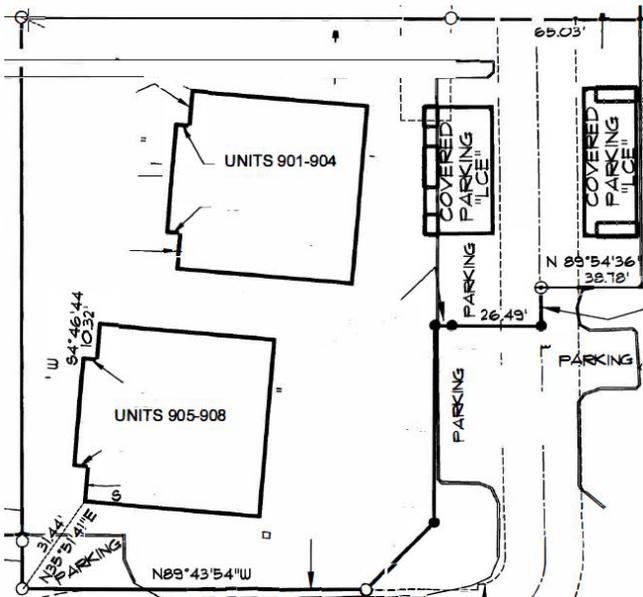
Audio recording available upon request for 90 days

What is a Condominium?

Condominium means real property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions.

Condominiums require a common ownership vested in the unit owners, a recorded declaration and, a recorded survey.

The Condominium Act was drafted, in part, to ensure a broad range of affordable homeownership options and promote a variety of housing types. Over time the creation of condominiums was hindered by a prevalence of construction defect lawsuits. This prompted the State to amend Act in 2019 provide immunities from liability, where appropriate. Additional amendments were made to improve the economic viability of condos.



How are condominiums created?

Washington State created RCW 84.14 Condominium Act in 1989, effective July 1990. Any property meeting minimum requirements of the RCW may be divided into separate real property. Additionally, within the city of Leavenworth, the creation of condominiums also requires a binding site plan. Above is an example of the survey for Icicle Condos. The development included two buildings, each with four dwelling units. After construction was complete the development was converted into eight condominiums with defined parking areas and the remainder of the lot as a Common Area.

Common Area is maintained under agreement (recorded) between the owners of each unit, aka Homeowners Association (HOA). All structural components and mechanical systems of all buildings must be addressed in the creation of a condominium. The exterior of the buildings, any stormwater, and often utilities are under the joint ownership and responsibility of the HOA. Improvements and maintenance of anything interior of the exterior walls is generally the responsibility of the unit owner.

What are the advantages of condominiums?

The creation of condominiums will result in more ownership options for the community. Increases in the housing stock (number of housing units) will help address the demand and slow the housing costs (supply and demand), making housing more accessible to more people.

In Leavenworth, condominiums are permitted in the Multifamily, Commercial and Industrial zoning districts. The highest number of condominiums have been developed in the commercial zoning districts which permits short-term rentals resulting in more investment properties rather than owner-occupied properties.

By expanding the placement of condominiums to residentially zoned areas, where short-term rentals are prohibited, the community may see a benefit of increased **homeownership**. These smaller units typically serve the entry level or senior housing market, in most communities, due to the lower cost to purchase. The shared costs for common areas are divided among all the unit owners and collected with a monthly, quarterly or yearly assessment/fee. It would be anticipated that detached ADUs or duplex developments would use this program as other types of development may not have the proper fire separation to create separate units.

For example, the Cedar Housing project that MEND/SHARE was looking at developing would have created two single-family residences. MEND's model for housing is homeownership so they were not able to develop Accessory Dwelling Units to manage. However, if we had the option to convert buildings into condominiums at this location, they could have developed four ownership dwellings.

The creation of a condominium will require each dwelling unit to meet fire separation requirements, have the required amount of off-street parking and may require separate utilities (water/sewer) for ease identification of leaks and timely repairs. With the appropriate conditions for creating a condominium, the city should be able to address any disadvantage of condominiums.

233 W. Commercial Example

Several properties in Leavenworth have been remodeled and expanded to include Accessory Dwelling Units. 233 W. Commercial is a great example of this. It was a 1920 home which was updated to a craftsman style home in 2009 and added the ADU in 2018/19.

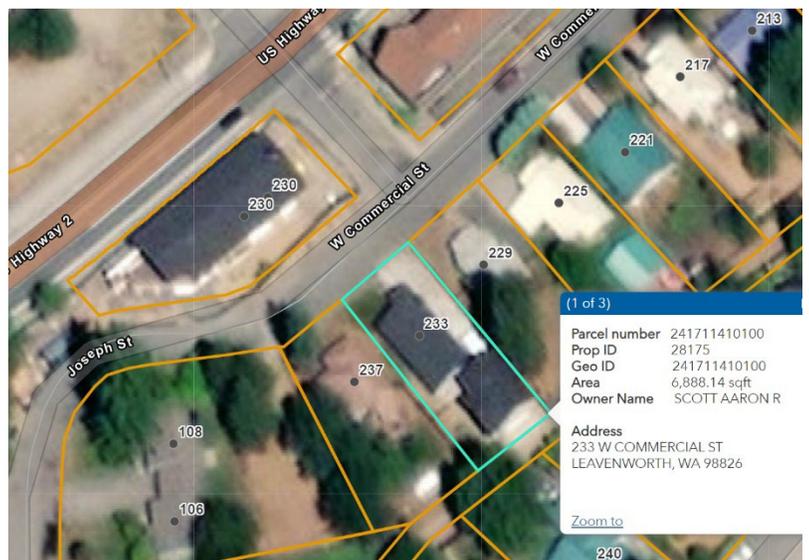




Figure 2: Pre-2009



Figure 1: Post-2009



Figure 3: 2018/19 ADU

With the option to concert these two dwellings into two condominiums, we change the function of the property from a owner/rental to two owners. This improves our overall housing stock, adds a smaller dwelling, increases the number of owner-occupied homes in our residential neighborhoods, and builds ownership wealth¹.

There would be no physical change to the property or change in the density – two homes & two residents.

What are the disadvantages of condominiums?

There is an option for more second homes when we increase housing. This will continue to be a challenging issue regardless of how the housing was created (new building or condominiums).

Additionally, the management of common area, outlined in a recorded Homeowner’s Association document, can result in disagreements. The city is not responsible to resolve these but we would most likely receive calls and need to redirect people to address it civilly. If the city had an enforcement issue for common area, it would be addressed using the existing enforcement process with notice to all parties (not just one homeowner).

¹ Most individuals and families build wealth through home ownership.