



## 2020 YEAR IN REVIEW

### **Governmental Affairs Committee**

A review of the National, State and Local Governmental Affairs efforts in support of the Spokane Association REALTORS® and our customers.

### **NATIONAL ADVOCACY EFFORTS**

NAR's federal advocacy team had one of its toughest years in 2020. With a robust congressional schedule already underway, COVID-19 would change the lives of everyone, including congress. Just prior to the lockdowns – your SAR team met face to face with Congressional Rep. Cathy McMorris-Rodgers to address several key needs ranging from Covid relief for REALTORS® - such as providing Paycheck Protection Programs for members and for the first time, making Underemployed Benefits available to members. Additionally, we worked with her office on several key federal initiatives such as a permanent extension of the National Flood Insurance project, Fannie Mae and Freddie Mac funding changes, and FHA regulations. Her office now calls us routinely for local housing data to support everything from calls for support for the wood products industry, to developing CDC eviction moratorium legislation.

2020 also saw a change of leadership as longtime Federal Political Coordinator Terry Sullivan made the decision to step down from his position. Tom Hormel will now take over those duties.

## STATE ADVOCACY EFFORTS

### 2020 LEGISLATIVE SESSION ENDS WITH SIGNIFICANT REALTOR® VICTORIES



The Spokane Association of REALTORS® helped lead the charge in Olympia with a number of key bills for our industry. of note - an exemption in the B&O tax increase in real estate services, an adjusted Real Estate Excise Tax (REET) that lowered the cost on property sales under \$1.5 Million (at least 90% of all sales in WA), added incentives to home building for cities while encouraging Accessory Dwelling Units and added an extension of popular incentives in the Multi Family Tax Exemption bill.

Even more important were the bills that did NOT pass. These included a bill that would have required lawyers on both sides of a transaction in any in-house listing, a new independent contractor test that could have taken away REALTORS® independent contractor status, rent control, just cause eviction, a bill that would have made it easier to implement additional real estate excise tax in certain areas, and a head tax on highly paid employees that would have applied to certain real estate businesses and brokers in King County.

Most importantly, WA REALTORS® leaned heavily on our REALTOR® Champions and the Governor to ensure that real estate services be considered “essential” to allow REALTORS® to keep in business during the following months of pandemic quarantine.

## LOCAL ADVOCACY EFFORTS

### KEY NAR GRANT PROGRAMS FUND LOCAL REAL ESTATE INITIATIVES



*Commissioner French speaks to GA Committee*

#### **Housing Shortages**

Several key speakers came before the SAR Governmental Affairs committee to help address the critical need for more housing in our community. County Commissioner Al French outlined an ambitious plan to assign GMA housing allotments away from the City of Spokane and assign them to growing areas such as Airway Heights and the City of Spokane Valley. While the coronavirus pandemic has put those plans on hold, watch for them to resurface in 2021.

#### **Sales Tax for Housing**

Spokane City Council President Breean Beggs spoke to the committee twice to discuss implementation of a state authorized sales tax increase for housing. That measure has now passed and goes into effect next year. SAR has been invited to be part of the committee that determines how those funds will be allocated.

#### **Landlord Tenant Regulations**

A controversial set of landlord/tenant ordinances have been set aside, thanks in part to an aggressive project by SAR. Using a \$20,000 Smart Growth grant from the National Association of REALTORS® (NAR) we surveyed voters to find what people really wanted. Additionally, we used a \$6,000 grant from Washington REALTORS® to sponsor a white paper written by Whitworth Economics Professor Vange Hochheimer entitled “Housing as a Determinant for Health – Implications for Rent Control Policy and Housing Shortage in Spokane” that outlines the detrimental effects such policies would have on the most vulnerable in our community. The paper outlines the extent these policies would have on reducing available units, thus creating an even greater lack of housing. By leveraging our key contact program, we presented this paper individually to city leaders. To date, a vote on these City of Spokane ordinances have been set aside.

NAR also allocated an additional \$35,000 to be made available for us to launch a public advocacy campaign against these ordinances, that has not been needed.

### **Smart Growth Study**

On the heels of this advocacy work, NAR provided an additional \$20,000 in work for a Housing Preference Study that asked 500 voters an extensive list of questions on housing preferences.

Among the study's findings:

- 51% renters want to buy a home ASAP – but are not finding any available inventory
- Homeownership rates continue to fall in Spokane
- The Color gap continues to widen with whites in Spokane 65.9%, while non-whites are at 44.6%, and Black/African Americans at 25%
- Most voters support providing incentives for developers, like tax breaks or fee reductions, to build more housing that is affordable (37% strongly favor, 74% total favor)

This information was used to develop the SAR white paper ***CASE FOR CHANGE, City of Spokane Attainable Housing Initiative***. By reaching out to our housing partners, this project outlines the essential need for housing in our community, along with providing several actionable solutions.

### **Northwest Fair Housing Conference**

At the recommendation of the SAR GA Committee, we became the signature sponsor of the *Northwest Fair Housing Conference*. Along with providing financial support, we also hosted an online seminar on the Importance of Home Ownership that helped discuss new information on why owning a home today is more critical than ever. While this event was moved online, we are hopeful to maintaining our leadership in this area for years to come.



### **GA Committee goes online**

In part due to the Covid19 quarantine happening in mid-March, the GA Committee became the first to move all meetings online. This provided a more flexible space to bring in guest speakers such as Spokane County Health Officer Dr. Lutz and a series of policy makers. Additionally, we played a key role in supporting SAR President Tom Clark and his weekly roundtable events.



### **2020 Election Endorsements**

With the additional challenges facing our local elected representatives, we felt it was important to get out early in supporting those who have supported us. As such, we early endorsed a slate of candidates from both sides of the aisle prior to the primary election. Thanks to the REALTOR® Party Action Committee support, each was given early financial support as well. In all, three State Senators, four State Representatives and two Spokane County Commissioners were successfully reelected.

## **LOOKING AHEAD TO 2021**

### **Housing Needs Assessments**

Both the Cities of Spokane and Spokane Valley are working to complete Housing Needs Assessments that we believe are grossly underrepresented of the true housing needs for our region. As such, we are working to assemble a working group of economists, forecasters, and housing experts to create our own *Market Based Regional Housing Needs Assessment* to help policy makers make better decisions with better information. This will convene in mid-February.

### **Candidate Training Session**

Joining forces with the Spokane Homebuilders Association and Better Spokane, we are hosting a Candidate School that offers those who may be interested in running for office the information they need to be successful. The introductory session is set for January 16<sup>th</sup> and will be held online.

### **City of Spokane Election**

2021 will see three city council seats up for election. The Governmental Affairs Committee will work to engage candidates with a series of real estate related questions and assess which candidates offer the best solutions for: home ownership, private property rights, and favorable taxing and regulations toward the real estate industry. Our members may consider Independent Expenditures to support those candidates selected.

## **Washington Legislative Hill Day and the 2021 Washington Legislative Session**

Our annual visit to Olympia has officially been moved to an online format. The good news is that this will allow more local participation. This year promises to be among the most challenging, as lawmakers themselves will be moving much of their work online. Additionally, lawmakers are facing a \$4-billion shortfall that will need to be overcome.



### **Placemaking Grant**

Unfortunately, SAR could not use the NAR Placemaking Grant awarded for building a permanent recognition site for local leader Don Higgins, who has been a key figure in the West Central Community Center. We will be reapplying for the \$5,000 grant that will sponsor a set of permanent chairs and tables at the overlook West of the Greenstone project that honors his work.

### **Federal Hill Day**

At this point, plans to visit Washington D.C. have been moved online. We will be updating plans as information becomes available.

### **New Leadership**

Despite the Covid related challenges, your SAR Governmental Affairs Committee was successful, thanks to the efforts of committee members to remain engaged, and the leadership of committee chair Britney Inglis. We look forward to the year ahead with our new chair Tom Clark. Additionally, we will see Spokane REALTOR® Tom Hormel assume the role as Washington REALTOR® President, and Eric Johnson will be the Vice President of Government Affairs with the Washington REALTORS®.