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**SENATE BILL 5758**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Gildon and Rivers

Prefiled 01/07/22. Read first time 01/10/22. Referred to Committee on Housing & Local Government.

1 AN ACT Relating to condominium conversions; adding a new section  
2 to chapter 43.180 RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that condominiums  
5 can provide an opportunity for affordable first-time homeownership,  
6 and that an increased supply of multifamily construction in  
7 Washington state and condominium demand creates market conditions for  
8 condominium conversions. The legislature also finds that the federal  
9 housing administration's condominium rule adopted in 2019 will  
10 improve financing options for first-time homebuyers in the  
11 condominium market. The legislature also recognizes that condominium  
12 conversions can create economic hardships on tenants in multifamily  
13 buildings. It is the intent of the legislature to ensure that tenants  
14 of multifamily buildings planned to be converted to condominiums are  
15 provided with information and resources relating to homeownership  
16 opportunities, and to direct the affordable housing advisory board to  
17 review the subject of condominium conversions and provide a report to  
18 the legislature on issues relating to both homeownership  
19 opportunities and impacts to tenants.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 43.180  
2    RCW to read as follows:

3        The commission shall implement a condominium conversion tenant-  
4    to-homeowner program focused on opportunities for first-time  
5    homeownership. The program must be designed to assist tenants in  
6    multifamily buildings that are being converted to condominium  
7    ownership. Income eligibility and other requirements for the  
8    condominium conversion tenant-to-homeowner program must be based on  
9    the commission's existing authority and be similar to other homebuyer  
10   programs implemented by the commission.

11       NEW SECTION.    **Sec. 3.**    (1) The affordable housing advisory board  
12   must review issues associated with the conversion of multifamily  
13   buildings to condominium ownership including, but not limited to:

14        (a) An assessment of the current housing market and affordability  
15   of condominium conversions, especially for first-time homebuyers;

16        (b) Statutory, regulatory, financial, or other barriers to  
17   condominium conversions as a viable source of housing supply for  
18   first-time homebuyers;

19        (c) Impacts to tenants caused by the conversion of multifamily  
20   buildings to condominium ownership, and the adequacy of programs and  
21   resources for tenant rental relocation and other assistance;

22        (d) Programs in other states using condominium ownership as a  
23   first-time homeownership opportunity, including those focused on  
24   employer-specific programs for teachers, police officers,  
25   firefighters, or other public service occupations in high-cost areas;  
26   and

27        (e) Specific areas in counties subject to the buildable lands  
28   review and evaluation program in RCW 36.70A.215 where condominium  
29   conversion could provide first-time homebuyer opportunities in  
30   proximity to light rail, express bus service, or other forms of mass  
31   transit.

32        (2) The board must provide a report on its review to the  
33   appropriate standing committees of the legislature by December 1,  
34   2022. In conducting its review, the board shall seek input from  
35   stakeholders with expertise in both the condominium conversion  
36   process and in providing tenant relocation programs and assistance.

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