

HB 1187 - S COMM AMD

By Committee on Consumer Protection & Housing

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new chapter is added to Title 43 RCW.
4 The following sections are recodified under the following subchapters:

5 (1) "Housing assistance program" as follows:

6 RCW 43.185.010;

7 RCW 43.185.015;

8 RCW 43.185.020;

9 RCW 43.185.030;

10 RCW 43.185.050;

11 RCW 43.185.060;

12 RCW 43.185.070;

13 RCW 43.185.074;

14 RCW 43.185.076;

15 RCW 43.185.080;

16 RCW 43.185.090;

17 RCW 43.185.100;

18 RCW 43.185.110;

19 RCW 43.185.120;

20 RCW 43.185.130;

21 RCW 43.185.900;

22 RCW 43.185.910; and

23 RCW 43.185.911.

24 (2) "Affordable housing program" as follows:

25 RCW 43.185A.010;

26 RCW 43.185A.020;

27 RCW 43.185A.030;

28 RCW 43.185A.040;

29 RCW 43.185A.050;

30 RCW 43.185A.060;

1 RCW 43.185A.070;
2 RCW 43.185A.080;
3 RCW 43.185A.090;
4 RCW 43.185A.100;
5 RCW 43.185A.900;
6 RCW 43.185A.901; and
7 RCW 43.185A.902.

8 (3) "Housing policy act" as follows:

9 RCW 43.185B.005;
10 RCW 43.185B.007;
11 RCW 43.185B.009;
12 RCW 43.185B.010;
13 RCW 43.185B.020;
14 RCW 43.185B.030;
15 RCW 43.185B.040;
16 RCW 43.185B.900;
17 RCW 43.63A.650;
18 RCW 43.330.170; and
19 RCW 35.21.685.

20 (4) "Housing cooperation" as follows:

21 RCW 35.83.005;
22 RCW 35.83.010;
23 RCW 35.83.020;
24 RCW 35.83.030;
25 RCW 35.83.040;
26 RCW 35.83.050;
27 RCW 35.83.060; and
28 RCW 35.83.070.

29 (5) "Federally assisted housing" as follows:

30 RCW 59.28.010;
31 RCW 59.28.020;
32 RCW 59.28.030;
33 RCW 59.28.040;
34 RCW 59.28.050;
35 RCW 59.28.060;
36 RCW 59.28.070;
37 RCW 59.28.080;
38 RCW 59.28.090;

1 RCW 59.28.100;
2 RCW 59.28.120;
3 RCW 59.28.130;
4 RCW 59.28.900;
5 RCW 59.28.901; and
6 RCW 59.28.902.

7 (6) "Farm worker housing" as follows:

8 RCW 43.63A.500;
9 RCW 43.63A.505;
10 RCW 43.330.165;
11 RCW 70.114.010;
12 RCW 70.114.020;
13 RCW 70.114A.010;
14 RCW 70.114A.020;
15 RCW 70.114A.030;
16 RCW 70.114A.040;
17 RCW 70.114A.045;
18 RCW 70.114A.050;
19 RCW 70.114A.060;
20 RCW 70.114A.065;
21 RCW 70.114A.070;
22 RCW 70.114A.081;
23 RCW 70.114A.085;
24 RCW 70.114A.100;
25 RCW 70.114A.110;
26 RCW 70.114A.900; and
27 RCW 70.114A.901.

28 (7) "Emergency mortgage and rental assistance" as follows:

29 RCW 43.63A.610;
30 RCW 43.63A.620;
31 RCW 43.63A.630;
32 RCW 43.63A.640; and
33 RCW 43.63A.645.

34 (8) "Low-income residential weatherization and energy assistance"
35 as follows:

36 RCW 70.164.010;
37 RCW 70.164.020;
38 RCW 70.164.030;

1 RCW 70.164.040;
2 RCW 70.164.050;
3 RCW 70.164.060;
4 RCW 70.164.070;
5 RCW 70.164.900; and
6 RCW 43.330.110.

7 (9) "Surplus property for affordable housing" as follows:
8 RCW 43.63A.510;
9 RCW 35.21.687;
10 RCW 36.34.137;
11 RCW 43.20A.037;
12 RCW 47.12.063;
13 RCW 47.12.064;
14 RCW 72.09.055; and
15 RCW 43.19.19201.

16 **Sec. 2.** RCW 64.34.440 and 1992 c 220 s 25 are each amended to read
17 as follows:

18 (1)(a) A declarant of a conversion condominium, and any dealer who
19 intends to offer units in such a condominium, shall give each of the
20 residential tenants and any residential subtenant in possession of a
21 portion of a conversion condominium notice of the conversion and
22 provide those persons with the public offering statement no later than
23 ((~~ninety~~)) one hundred twenty days before the tenants and any subtenant
24 in possession are required to vacate. The notice must:

25 (i) Set forth generally the rights of tenants and subtenants under
26 this section ((and shall));

27 (ii) Be delivered pursuant to notice requirements set forth in RCW
28 59.12.040; and

29 (iii) Expressly state whether there is a county or city relocation
30 assistance requirement for tenants or subtenants of conversion
31 condominiums in the jurisdiction in which the property is located. If
32 the county or city does have a relocation assistance requirement, the
33 following must also be included in the notice:

34 (A) The terms and conditions under which relocation assistance is
35 paid; and

36 (B) Any information or forms prescribed by the county or city by
37 ordinance or rule related to the relocation assistance requirement.

1 **(b)** No tenant or subtenant may be required to vacate upon less than
2 (~~ninety~~) one hundred twenty days' notice, except by reason of
3 nonpayment of rent, waste, conduct that disturbs other tenants'
4 peaceful enjoyment of the premises, or act of unlawful detainer as
5 defined in RCW 59.12.030, and the terms of the tenancy may not be
6 altered during that period except as provided in (c) of this
7 subsection.

8 **(c)** At the declarant's option, the declarant may provide all
9 tenants in a single building with an option to terminate their lease or
10 rental agreements without cause or consequence after providing the
11 declarant with thirty days' notice. In such case, tenants shall
12 continue to have access to relocation assistance as provided in
13 subsection (6)(e) of this section.

14 **(d)** Nothing in this subsection shall be deemed to waive or repeal
15 RCW 59.18.200(2). Failure to give notice as required by this section,
16 or failure to pay any required relocation assistance, is a defense to
17 an action for possession.

18 **(2)** For sixty days after delivery or mailing of the notice
19 described in subsection (1) of this section, the person required to
20 give the notice shall offer to convey each unit or proposed unit
21 occupied for residential use to the tenant who leases that unit. If a
22 tenant fails to purchase the unit during that sixty-day period, the
23 offeror may offer to dispose of an interest in that unit during the
24 following one hundred eighty days at a price or on terms more favorable
25 to the offeree than the price or terms offered to the tenant only if:
26 (a) Such offeror, by written notice mailed to the tenant's last known
27 address, offers to sell an interest in that unit at the more favorable
28 price and terms, and (b) such tenant fails to accept such offer in
29 writing within ten days following the mailing of the offer to the
30 tenant. This subsection does not apply to any unit in a conversion
31 condominium if that unit will be restricted exclusively to
32 nonresidential use or the boundaries of the converted unit do not
33 substantially conform to the dimensions of the residential unit before
34 conversion.

35 **(3)** If a seller, in violation of subsection (2) of this section,
36 conveys a unit to a purchaser for value who has no knowledge of the
37 violation, recording of the deed conveying the unit extinguishes any

1 right a tenant may have to purchase that unit but does not affect the
2 right of a tenant to recover damages from the seller for a violation of
3 subsection (2) of this section.

4 (4) If a notice of conversion specifies a date by which a unit or
5 proposed unit must be vacated and otherwise complies with the
6 provisions of this chapter and chapter 59.18 RCW, the notice also
7 constitutes a notice to vacate specified by that statute.

8 (5) Nothing in this section permits termination of a lease by a
9 declarant in violation of its terms.

10 (6) Notwithstanding RCW 64.34.050(1), a city or county may by
11 appropriate ordinance require with respect to any conversion
12 condominium within the jurisdiction of such city or county that:

13 (a) In addition to the statement required by RCW 64.34.415(1)(a),
14 the public offering statement shall contain a copy of the written
15 inspection report prepared by the appropriate department of such city
16 or county, which report shall list any violations of the housing code
17 or other governmental regulation, which code or regulation is
18 applicable regardless of whether the real property is owned as a
19 condominium or in some other form of ownership; said inspection shall
20 be made within forty-five days of the declarant's written request
21 therefor and said report shall be issued within fourteen days of said
22 inspection being made. Such inspection may not be required with
23 respect to any building for which a final certificate of occupancy has
24 been issued by the city or county within the preceding twenty-four
25 months; and any fee imposed for the making of such inspection may not
26 exceed the fee that would be imposed for the making of such an
27 inspection for a purpose other than complying with this subsection
28 (6)(a);

29 (b) Prior to the conveyance of any residential unit within a
30 conversion condominium, other than a conveyance to a declarant or
31 affiliate of a declarant: (i) All violations disclosed in the
32 inspection report provided for in (a) of this subsection, and not
33 otherwise waived by such city or county, shall be repaired, and (ii) a
34 certification shall be obtained from such city or county that such
35 repairs have been made, which certification shall be based on a
36 reinspection to be made within seven days of the declarant's written
37 request therefor and which certification shall be issued within seven
38 days of said reinspection being made;

1 (c) The repairs required to be made under (b) of this subsection
2 shall be warranted by the declarant against defects due to workmanship
3 or materials for a period of one year following the completion of such
4 repairs;

5 (d) Prior to the conveyance of any residential unit within a
6 conversion condominium, other than a conveyance to a declarant or
7 affiliate of a declarant: (i) The declarant shall establish and
8 maintain, during the one-year warranty period provided under (c) of
9 this subsection, an account containing a sum equal to ten percent of
10 the actual cost of making the repairs required under (b) of this
11 subsection; (ii) during the one-year warranty period, the funds in such
12 account shall be used exclusively for paying the actual cost of making
13 repairs required, or for otherwise satisfying claims made, under such
14 warranty; (iii) following the expiration of the one-year warranty
15 period, any funds remaining in such account shall be immediately
16 disbursed to the declarant; and (iv) the declarant shall notify in
17 writing the association and such city or county as to the location of
18 such account and any disbursements therefrom; ~~((and))~~

19 (e) A declarant shall pay relocation assistance ~~((not to exceed~~
20 ~~five hundred dollars per unit shall be paid))~~, in an amount determined
21 by the city or county, which in no event may exceed a total of the sum
22 for three months' rent of the tenant's unit as specified in the
23 applicable lease or rental agreement, to tenants and subtenants:

24 (i) Who elect not to purchase a unit ~~((and));~~

25 (ii) Who are in lawful occupancy for residential purposes of a
26 unit; and

27 (iii) Whose ~~((monthly))~~ annual household income from all sources,
28 on the date of the notice described in subsection (1) of this section,
29 was less than an amount equal to eighty percent of ~~((+i))~~:

30 (A) The ~~((monthly))~~ annual median family income ~~((for comparably~~
31 ~~sized households))~~ in the ~~((standard))~~ metropolitan statistical area,
32 as defined and established by the United States department of housing
33 and urban development, in which the condominium is located, as adjusted
34 for household size according to the method used for income limits by
35 the department; or ~~((+i))~~

36 (B) If the condominium is not within a ~~((standard))~~ metropolitan
37 statistical area, the ~~((monthly))~~ annual median family income ~~((for~~
38 ~~comparably sized households))~~ in the state of Washington, as defined

1 and determined by (~~said~~) the United States department of housing and
2 urban development, and as adjusted for household size according to the
3 method used for income limits by the department.

4 The household size of a unit shall be based on the number of
5 persons actually in lawful occupancy of the unit. The tenant or
6 subtenant actually in lawful occupancy of the unit shall be entitled to
7 the relocation assistance. A requirement for relocation assistance
8 under this subsection (6)(e) is authorized whether or not it may be
9 considered a tax. The declarant shall provide to the city or county a
10 copy of the notice required under subsection (1)(a) of this section at
11 the same time the notice is provided to the tenants or subtenants. The
12 declarant shall also provide other notices and documentation that the
13 city or county may require by ordinance or rule to administer the
14 relocation assistance requirement and verify compliance under this
15 section. Relocation assistance shall be paid on or before the date the
16 tenant or subtenant vacates and shall be in addition to any damage
17 deposit or other compensation or refund to which the tenant is
18 otherwise entitled. Unpaid rent or other amounts owed by the tenant or
19 subtenant to the landlord may be offset against the relocation
20 assistance; and

21 (f) Except as authorized under (g) of this subsection (6), a
22 declarant and any dealer shall not begin any construction, remodeling,
23 or repairs to any interior portion of an occupied building that is to
24 be converted to a condominium or the lot on which the conversion
25 condominium is located during the one hundred twenty-day notice period
26 provided for in RCW 64.34.440(1) unless all residential tenants and
27 residential subtenants who have elected not to purchase a unit and who
28 are in lawful occupancy in the building have vacated.

29 (g)(i) A declarant and any dealer is authorized to begin
30 construction, remodeling, or repairs to interior portions of an
31 occupied building under the following circumstances:

32 (A) To repair or remodel vacant units to be used as model units,
33 provided that the repair and remodel is limited to one model for each
34 unit type in the building;

35 (B) To repair or remodel a vacant unit or common area for use as a
36 sales office; and

37 (C) The declarant or dealer has offered existing tenants an option
38 to terminate an existing lease or rental agreement without cause or

1 consequence pursuant to subsection (1)(c) of this section and at least
2 one hundred twenty days have passed since tenants were notified of such
3 option.

4 (ii) All work performed under this subsection shall not violate the
5 tenant's or subtenant's rights of quiet enjoyment during the one
6 hundred twenty-day notice period.

7 (7) Violations of any city or county ordinance adopted as
8 authorized by subsection (6) of this section shall give rise to such
9 remedies, penalties, and causes of action which may be lawfully imposed
10 by such city or county. Such violations shall not invalidate the
11 creation of the condominium or the conveyance of any interest therein.

12 NEW SECTION. Sec. 3. This act takes effect August 1, 2007.

13 NEW SECTION. Sec. 4. This act does not apply to any conversion
14 condominiums for which a notice required under RCW 64.34.440(1) has
15 been delivered before the effective date of this act."

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By Committee on Consumer Protection & Housing

16 On page 1, line 1 of the title, after "housing;" strike the
17 remainder of the title and insert "amending RCW 64.34.440; adding a new
18 chapter to Title 43 RCW; creating a new section; recodifying RCW
19 43.185.010, 43.185.015, 43.185.020, 43.185.030, 43.185.050, 43.185.060,
20 43.185.070, 43.185.074, 43.185.076, 43.185.080, 43.185.090, 43.185.100,
21 43.185.110, 43.185.120, 43.185.130, 43.185.900, 43.185.910, 43.185.911,
22 43.185A.010, 43.185A.020, 43.185A.030, 43.185A.040, 43.185A.050,
23 43.185A.060, 43.185A.070, 43.185A.080, 43.185A.090, 43.185A.100,
24 43.185A.900, 43.185A.901, 43.185A.902, 43.185B.005, 43.185B.007,
25 43.185B.009, 43.185B.010, 43.185B.020, 43.185B.030, 43.185B.040,
26 43.185B.900, 43.63A.650, 43.330.170, 35.21.685, 35.83.005, 35.83.010,
27 35.83.020, 35.83.030, 35.83.040, 35.83.050, 35.83.060, 35.83.070,
28 59.28.010, 59.28.020, 59.28.030, 59.28.040, 59.28.050, 59.28.060,

1 59.28.070, 59.28.080, 59.28.090, 59.28.100, 59.28.120, 59.28.130,
2 59.28.900, 59.28.901, 59.28.902, 43.63A.500, 43.63A.505, 43.330.165,
3 70.114.010, 70.114.020, 70.114A.010, 70.114A.020, 70.114A.030,
4 70.114A.040, 70.114A.045, 70.114A.050, 70.114A.060, 70.114A.065,
5 70.114A.070, 70.114A.081, 70.114A.085, 70.114A.100, 70.114A.110,
6 70.114A.900, 70.114A.901, 43.63A.610, 43.63A.620, 43.63A.630,
7 43.63A.640, 43.63A.645, 70.164.010, 70.164.020, 70.164.030, 70.164.040,
8 70.164.050, 70.164.060, 70.164.070, 70.164.900, 43.330.110, 43.63A.510,
9 35.21.687, 36.34.137, 43.20A.037, 47.12.063, 47.12.064, 72.09.055, and
10 43.19.19201; and providing an effective date."

EFFECT: This amendment inserts the condo conversion SSB 5031 into HB 1187. The provisions of SSB 5031 include the following:

(1) A statutory cap of \$500 on relocation assistance, allowing local governments to establish a relocation assistance program using their own discretion, including setting their own dollar amounts for relocation assistance.

(2) The notice provision is increased from 90 to 120 days.

(3) A city and county are not granted a right to a moratorium on condo conversions.

(4) Property owners are required to disclose the availability of relocation assistance and to disclose the terms and conditions under which it will be paid to a tenant as part of the condominium conversion notice.

(5) An apartment owner may provide all tenants with an option to terminate their lease, and the tenants must still have access to relocation assistance.

(6) There is a limit on the amount that a city or county may require a declarant to pay for relocation assistance at three times the tenant's rent.

(7) There can be no interior construction during the 120-day notice period, unless all tenants have vacated, purchased a unit as a condo, or have met certain criteria. This certain criteria authorizes an apartment owner to begin construction so long as it does not interfere with the renter's rights of quiet enjoyment, and: (a) It is to repair or remodel vacant units to be used as model units; (b) it is to repair or remodel a vacant unit or common area for use as a sales office; or (c) the apartment owner has offered existing tenants an option to terminate an existing lease without consequence and at least 120 days have passed since tenants were notified of such an option.

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