



August 15, 2023

Dear Appraiser's Coalition of Washington,

As we work to address the underlying causes of our housing crisis and the systematic underproduction of housing in our state, the housing policy landscape in Washington will inevitably change. Implementation of middle housing will require adaptations by local governments, state agencies, appraisers, and the real estate industry. It's a significant shift to allow for these diverse housing options, and I understand that you are concerned about potential impacts on the appraisal process. I am committed to working together to ensure the transition to middle housing is as seamless as possible.

HB 1110 authorizes sixplexes in cities with more than 75,000 people only within ¼ mile walking distance of major transit (e.g. bus rapid transit, light rail, or street cars) or in any residential zone if at least two units are affordable. Cities must comply with HB 1110 within 6 months of completing their periodic comprehensive plan update. The companion bill, SB 5190, did not pass and is not law.

As we work to implement middle housing, we must work to address challenges that arise. This will require collecting data to demonstrate any trends or changes that occur. It is true that sixplexes will become legal to build in 16 cities near transit and in residential areas if one third of the units are affordable. However, the feasibility of building a sixplex with this affordability requirement will be extremely limited. I encourage you to track any issues that arise because of the changes to zoning on the residential appraisal process.

Here is what we can do now to help ease the transition:

- I will be advocating for a change in the federal guidelines to amend the definition of commercial housing to over 6 units. It would be helpful if your organization could also advocate for this change since more and more cities and states will be making these zoning changes.
- I've also asked the Department of Commerce to work with the Department of Licensing to create an FAQ to be provided on DOL's website and to all appraisers.
- Finally, DOL has confirmed that for the minority of properties that are feasible to create a sixplex, residential appraisers can partner with general appraisers to complete the appraisal process.

I appreciate you taking the time to meet with me recently to help me understand your concerns. After reviewing your written materials, consulting with staff, and examining the estimates of potential housing production in Washington I believe we can continue monitoring the implementation of middle housing and any challenges that may arise and respond accordingly.

Sincerely,

Representative Jessica Bateman, 22nd Legislative District

