

FINAL BILL REPORT

SHB 2014

C 113 L 08

Synopsis as Enacted

Brief Description: Addressing the regulation of conversion condominiums.

Sponsors: By House Committee on Housing (originally sponsored by Representatives Chase, Santos, Kenney, Hasegawa, Miloscia, Simpson and Ormsby).

House Committee on Housing

Senate Committee on Consumer Protection & Housing

Background:

Notice of Condominium Conversion.

When apartments are converted into condominiums, the condominium declarant must give each existing apartment tenant notice of the conversion 90 days before the tenant is required to vacate. No tenant may be required to vacate on less than 90 days notice except for tenant violations of the Residential Landlord-Tenant Act.

City or County Requirements - Relocation Assistance.

A city or county may establish a variety of requirements regarding condominium conversions including that relocation assistance be paid to tenants who elect not to purchase a unit. Relocation assistance may not exceed \$500 per unit.

Local Government Restrictions.

Local governments may not impose any taxes, fees or charges on the construction or reconstruction of residential buildings.

Summary:

Notice of Condominium Conversion.

A condominium declarant must give existing apartment tenants 120 days notice of the conversion of the apartment into a condominium and may not require that the tenant vacate the apartment before that 120-day period has expired. The notice must include information about any city or county relocation assistance program. Local jurisdictions may require that declarants also submit a copy of the notice to the appropriate city or county department or agency.

City or County Requirements - Relocation Assistance and Construction Commencement.

A city or county may require that:

(1) The declarant pay relocation assistance to tenants who:

- elect not to purchase a unit;
- are in lawful occupancy of a unit; and
- whose household income is below 80 percent of the median income.

Required relocation assistance may not exceed three months of an eligible tenant's rent at the time of the conversion notice, except in the case of eligible elderly or special needs tenants. Elderly tenants are persons at least 65 years of age and special needs tenants are persons with a mental or physical disability, disease, chemical dependency, or permanent medical condition. Such tenants may receive the greater of:

- three months of the tenant's or subtenant's rent; or
- actual costs of relocation which may include costs associated with securing replacement housing, up to a maximum of \$1,500 in excess of the sum of three months of the tenant's or subtenant's rent.

Relocation assistance is exempt from the local government restriction on the imposition of fees on development of residential buildings.

(2) Interior construction for the purpose of converting buildings into condominiums may not commence during the 120-day notice period unless:

- all residential tenants who have not elected to purchase a unit and who are in lawful occupancy in the building have vacated; or
- the declarant has offered existing tenants the opportunity to terminate their existing lease or rental agreement without cause or consequence, and then only to prepare vacant units to be used as model units or for a sales office.

Regardless of the circumstance, construction must not violate a tenant's right of quiet enjoyment during the 120-day notice period.

These provisions do not apply to any conversion condominiums for which a legal notice of conversion has been delivered to tenants before the effective date of the act.

Cities and counties planning under the Growth Management Act (GMA) are required to report annually to the Department of Community, Trade and Economic Development (DCTED) on condominium conversions occurring within their jurisdictions. Cities and counties may require declarants to provide required information to the appropriate city or county department. Information to be reported must include:

- the total number of apartment units converted into condominiums;
- the total number of condominium conversion projects; and
- the number of tenants who receive relocation assistance.

Votes on Final Passage:

House	94	3	
Senate	36	11	(Senate amended)
House	64	29	(House concurred)

Effective: August 1, 2008