

# Washington State Real Estate Appraiser Commission meeting transcript – April 18, 2024

Claire Elston (00:00:07):

Headphones or earbuds or anything?

Denise Stephens (00:00:09):

Yeah.

Sandy Baur (00:00:10):

Good morning, everyone, and welcome to the Washington Real Estate Appraisers Commission meeting. The meeting will begin in just a few minutes, so bear with us while we get our technologies in orders. As a reminder, please keep yourself on mute while the meeting is going on so that we don't have any background noises. Thank you very much.

Stan Sidor (00:00:33):

All right. Can you hear me now?

Sandra Schaefer (00:00:34):

Yes.

Sandy Baur (00:00:36):

Yes, we can.

Sandra Schaefer (00:00:37):

Can you hear us?

Stan Sidor (00:00:37):

All right. Great. Thank you. Sorry. Sorry about that.

Sandy Baur (00:00:42):

Perfect. Lynn Marie, would you please yourself? You're creating a lot of background noise.

Denise Stephens (00:00:50):

Tammy, can you hear me now?

Sandy Baur (00:00:58):

Yes, we can.

Denise Stephens (00:01:01):

Okay, because my camera froze, so I was just checking to make sure I didn't lose my mic.

Sandy Baur (00:01:08):

Yep, we can hear you. And I think that is it, so whenever you're ready to begin, Chair Biethan.

Scott Biethan (00:01:20):

Okie doke. So good morning. I'm Scott Biethan, Chair of the Real Estate Appraisers Commission for the State of Washington. It's 10:03 a.m. on Thursday the 18th, and I'm calling the meeting to order. So the meeting is open to the public. We'll take time at the end of the meeting for public comments. Participants will have no more than three minutes, and as a reminder, we're actually going to be holding to the three minutes, and that's something that we're going to be... We've been lax in the past. We're going to be rigid going forward for a lot of reasons for governance and making sure that we're not doing anything that violates open meetings acts, and then commissioners, during the public commentary period, we will not be engaging in any dialogue back and forth.

(00:02:15):

So as a courtesy, I ask that everyone keep themselves on mute to reduce background noise, and when a commissioner would like to comment, use the raise hand feature in teams and then once we've called on you, you can unmute yourself and don't forget to share your name and remember to mute yourself afterwards. And I'm sure we'll all mess up once during this meeting, or maybe twice, but we'll do the best we can. So Sandra, would you like to do the roll call please?

Sandra Schaefer (00:02:45):

Yes. Thank you, Chair Biethan, and I will start with you. Chair Biethan?

Scott Biethan (00:02:50):

I'm still present.

Sandra Schaefer (00:02:52):

Thank you. Vice Chair Elston? Vice Chair Elston? I thought I heard her call in.

Claire Elston (00:03:12):

Present. [inaudible 00:03:12]? Can you hear me?

Sandra Schaefer (00:03:12):

Oh, I can. Thank you. Commissioner Sidor?

Stan Sidor (00:03:18):

I am present.

Sandra Schaefer (00:03:20):

Thank you. Commissioner Sporn?

Jay Sporn (00:03:24):

Present.

Sandra Schaefer (00:03:26):

Thank you. Commissioner Stephens?

Denise Stephens (00:03:30):

Present.

Sandra Schaefer (00:03:31):

Thank you. And Commissioner Potter has an excused absence today, so that's everyone. Back to you, Chair Biethan.

Scott Biethan (00:03:39):

Great. Thank you. The meeting agenda has been passed around in advance and we're looking for a motion to approve the agenda, and a second.

Stan Sidor (00:03:54):

I move to approve.

Claire Elston (00:03:55):

Vice Chair Elston so moves.

Jay Sporn (00:03:56):

I second.

Scott Biethan (00:04:01):

So I think I heard Commissioners Elston and Sporn.

Jay Sporn (00:04:07):

Correct.

Scott Biethan (00:04:10):

Are there any discussion around the agenda? Any changes? Seeing none. All in favor of approving the motion, say aye.

Jay Sporn (00:04:20):

Aye.

Stan Sidor (00:04:20):

Aye.

Scott Biethan (00:04:22):

Any nay? Any absentees? Nope. Okay. So the motion has carried and is approved. Likewise, the meeting minutes have been sent around, and to start with, I would look for a motion to approve the minutes.

Stan Sidor (00:04:45):

I so move, Sidor.

Jay Sporn (00:04:49):

Sporn seconds.

Scott Biethan (00:04:52):

Okay. I should say, are there any changes or corrections? I should have asked that question first, but any changes or corrections to the meeting minutes?

Stan Sidor (00:05:00):

No, technically you're right, it comes after the motion.

Scott Biethan (00:05:04):

Thank you. This is why I have Stan here to keep me straight. Good. Any changes? Seeing none. All in favor say aye.

Stan Sidor (00:05:15):

Aye.

Scott Biethan (00:05:16):

Any opposed? Okie doke. Motion carries. So we're going to move to item number five, awards and recognition, and I'm going to turn it over to Sandy.

Sandy Baur (00:05:30):

Thank you, Chair Biethan. We are super excited to announce that the education team consisting of Mr. Tim Allen and Ms. Georgia Schmidt has joined our unit. We're very excited for this. I would like to turn it over to Mr. Tim Allen to introduce himself to you. Oh, I don't think he was able attend this morning. So with that, I would just like to say we're super excited to have them on board with our team. They're going to be a really big help for the education side for the real estate boards. We're so excited. Thank you so much, and back to you, Chair Biethan.

Scott Biethan (00:06:16):

And I would remiss if I didn't say this, I don't know Ms. Schmidt well, but I had the opportunity to travel with Tim Allen at a conference. He is absolutely amazing. I really enjoy him and I'm looking forward to working with he and with Georgia Schmidt, so we're very fortunate. So, okay, moving on. We'll move into old business and practical applications of real estate, PAREA, and appraisers qualification board update, and that's also back to Sandy.

Sandy Baur (00:06:56):

Thank you so much, Chair Biethan. We're really happy to announce that the rulemaking process is complete. WAC 308 125 070 has been updated to reflect the experience requirements as well as in including PAREA as an alternative pathway to licensure. If anyone is interested in more information about PAREA, both the Appraisal Foundation and the Appraisal Institute websites have a lot of information covering that, so feel free to visit those websites to get more information. We would really like to take this time to thank the commissioners for all the hard work they did, the research that they did and helping us make this rulemaking process a

success. And I think now we can remove this as an ongoing agenda item. Are there any questions? Okay. Thank you. Back to you, Chair Biethan.

Scott Biethan (00:08:01):

Okay. Moving into new business, and for those of you who don't know me, I'm pretty transparent and I've looked at the information before the meeting, but I did miss something. Sandy, the item number 7.1, a DEI subcommittee, didn't we have a subcommittee in place already, or what am I missing? I'm sorry. I'm missing something on this one, and forgive me for doing that.

Sandy Baur (00:08:27):

We did chair be, we had a DEI subcommittee. It was disbanded at the beginning of last year, and so due to some of the initiatives that the Appraisal Foundation and AQB have been sending out, we thought it might be a good idea to revisit the idea of either-

Scott Biethan (00:08:51):

Okay. I remember this now. Yep.

Sandy Baur (00:08:51):

Right.

Scott Biethan (00:08:52):

Sorry about that. So I'm just going to say this. I haven't taken my USPAP update. I'm soon scheduled to do it, but I talked to a lot of people that have, and maybe you do or don't know that it has been a topic that's been really of interest to me. Now the commercial side from kind of what I would call the legal compliance, you don't run into issues around... Let me take it back. From report, now we're just talking about unintended consequences in how you write reports and not so much in the overall DE&I topic, which I'm going to talk about in a second. But residential appraisers, how they couch their residential reports, they're really bound by housing law, federal housing law, and when you write an apartment report, you have the same thing. But I've personally become really intrigued with this topic.

(00:09:56):

A couple of years ago I was at an Aero conference and listening to Scott Reuter and Rachel Beams-Jarrett who are just champions on this, and there is the program that they've got that they've been helping to run with Freddie and Fannie and with Chase, JPMorgan Chase and a bunch of other sponsors. But they bring recruits through and kind of expose folks to the appraisal industry, and that's a really cool program. But then just thinking about how our profession looks and how we face the public, and are we being aware of the issues of DE&I? Again, our commission is advisory. We're not binding. But then the question is do we want to have, I think Stan and some other folks had led that process previously. That's right. I forgot, and it got sunsetted, but I guess the question is-

Stan Sidor (00:10:53):

Commissioner Potter and I were doing that.

Scott Biethan (00:10:56):

Beg pardon?

Stan Sidor (00:10:57):

Commissioner Potter and I were working on that.

Scott Biethan (00:10:59):

That's right. So I guess there's a lot more information out there and the USPAP course right now is, there's a lot of information about that. I got to take it this week because my birthday's coming up, but I'm looking forward to it. But I guess the question is, as a commission, do we want to have this revived again?

Stan Sidor (00:11:28):

This is Commissioner Sidor. I think as Commissioner Potter had indicated when he first suggested that we no longer included on our agenda, and correct me if I'm incorrect on that, Commissioner Potter. Is he here with us today?

Scott Biethan (00:11:45):

He couldn't make it.

Stan Sidor (00:11:46):

Okay. Okay. So I'll just impugn him any way I want now. I am not sure that I see anything of any substance that this commission would have to address on the topic unless Sandy or anyone else has, or Scott has any input things that they're getting from the market that they feel that this is something that is under our purview or we should continue to research and look at. If something comes up, we could always add it to as an agenda item for discussion. But as a regular ongoing item on the agenda, I'm not sure we need it.

Scott Biethan (00:12:39):

Again, I'd like to hear other commissioners' view on this, I think. The topic is getting, I would call it, there's a lot more focus on what does it mean and what does it mean in our profession and everywhere else in society, if you will. And I think to myself, when you look at the appraisal profession profile, and I'm not sure that of late that we necessarily represent what I would call the greater society as a whole, and then how do we attract folks into our profession that they represent all facets of our society? And I guess it's a question.

(00:13:40):

So Stan, I heard what you said and I really respect you and I guess I would ask the other commissioners, do you have any insight, any thought, any opinions? I'm not going to drive an agenda. It's an open-ended question for me. I mean, I think you can see my view, but I can't do everything and if we don't have the folks on the commission say, "Hey, I'd like to take this on," then maybe that's also a sign, as well, but I guess I'm going to put it back after to the rest of the commissioners.

Stan Sidor (00:14:09):

Well, again, this is Commissioner Sidor. I know that what we had been doing before, what Commissioner Potter and I were doing when we had this on the agenda as a regular ongoing

item, we were keeping abreast of pending legislation, especially at the national level that might come in and have an impact on appraisers and might have an impact in terms of our licensing standards or our education standards, et cetera. And I'm not, again, I apologize. I haven't really, because we stepped away from keeping an active eye on it, I know a lot had not been progressing on that front, so I haven't really researched if anything new has come about say in the last half year. But that was basically our focus, at that time at least.

Scott Biethan (00:15:09):

Yeah. Commissioner Sporn, you've got your hand up.

Jay Sporn (00:15:13):

Yeah, Scott, I don't know. I'm sure you've seen it nationally. There's been a lot of pushback on that. I think some states [inaudible 00:15:22] specifically have actually banned DEI, tried to outlaw in their particular states, so there'd be a lot of pushback on that. I think that at the very least if we make a statement at maybe the start of our meeting that our commission supports DEI and just put that out there and if there's people that that are from a state that they don't do that and they feel disenfranchised, make it known that Washington does welcome those people.

Scott Biethan (00:15:52):

Yeah. A suggestion, too, and I'm not one to want to kick the can down the road and I'm realizing as part of this discussion, I'm not sure that I am fully informed on what we can do and what a committee might do. I'd like to offer one thing and it might be that what we do is we, Scott Reuter and Rachel, they were keynote speakers at the fall conference for the Appraisal Institute two years in a row. They are really insightful, and Scott's the chief appraiser with Freddie Mac, and Rachel is, I can't remember what her title is, but she's pretty far up in Fannie Mae. Perhaps if we might gather some information with them and maybe even invite them to share at a future meeting or next meeting, share their insight of what could a state appraisal commission do or not do and what would be within our understanding, our purview, at least asking them that question, and that might provide us...

(00:17:05):

Because right now, Stan, I don't disagree with you. I'm not so sure exactly what the committee does. But I think what I'd like to do is maybe gather some more information. I know it's a three month delay. I'm going to make a personal statement. I think this is an important topic. What the state can do, I don't know. And Sandy, yeah, go ahead please. I see you wanted to say something.

Sandy Baur (00:17:27):

Sure. Yeah. What I can do is I can let you know what some of the other diversity, equity and inclusion subcommittees do in our other boards and commissions, just to give you an idea of what type of work they do. They send out surveys looking at what does the current industry look like, what would help bring the industry to underserved or underrepresented communities, some outreach type of events and type of work to try and get it out there that becoming an appraiser, the appraiser industry is for everyone. So it is giving everyone the opportunity to learn about what it is to be an appraiser and if it might be something they would be interested in working towards.

Scott Biethan (00:18:29):

Yeah. Maybe we should gather more information. It's funny. There's so many things I'm getting prepped for this meeting, but this one I don't feel like I'm as prepared as I should be, and I'm being candid with everybody, and you know me. I say what I think and sometimes just to my detriment. I personally believe this is an important issue and that's why it's... Sandy, I think I missed getting the deep dive on this. I know we had a prep meeting, be talking about these things, but gosh, that was 30 days ago and I've got the memory of a hamster sometimes, so I'd like to get more information. I'll come back with this. Is that okay with the commission?

Claire Elston (00:19:10):

This is Vice Chair Elston. I think that's a great idea, Scott, and I would like to make a motion that perhaps you could invite one of those two speakers to give a small presentation to the commission at the next meeting regarding this topic and that might provide some clarity on where best to go from here.

Scott Biethan (00:19:33):

Yeah. Yep. So I think I heard a motion that we invite someone from... It's the ADI committees group is what it is, and Scott and Rachel are kind of the champions of it, and there's other folks that might be available from that group. And if you don't know what this program is, I'll just say it really briefly. They cast a very wide net and in particular they're looking for cohort groups that don't have... I mean, you think about how you got in the appraisal profession. A lot of us, me included, knew somebody. They got in it or had a relative or you had a view on what that was. Maybe it's somebody you went to college with or any number of things.

(00:20:17):

But there's some folks that don't have the same cohort groups and they cast that net really wide and look for folks that have no knowledge of appraisal for the most part, and then they train them, they give them all the classes that you need to then start out, and they got all the classes ready to go so they can find a company or an individual to work with. They deliver somebody who's got all the coursework done to be a licensed trainee. And they also have monthly meetings. They do networking. They help people network. Our company has hired two different people from this program and it's a great program and I was actually pretty impressed with them. So that's why this topic has been, even though I kind of sound a little flaky when I started out with, I mean like, "I can't remember what we're talking about here." But I really think this is a potential important thing. But the question is how does it fit in the purview of REAC? So I heard a motion. I would look for a second.

Stan Sidor (00:21:22):

Commissioner Sidor. I will go ahead and second that.

Scott Biethan (00:21:25):

Thank you so much. Any other conversation? Call for the vote. All in favor say aye.

Speaker X (00:21:34):

Aye.

Stan Sidor (00:21:34):

Aye.

Jay Sporn (00:21:35):

Scott Biethan (00:21:36):

Any opposed? Okay. Moving on. Sandy, 7.2, in-person meeting.

Sandy Baur (00:21:47):

Yes. We're super excited. We are planning in-person meetings for our summer quarter for 2024. We're looking at facilities in Olympia that are able to accommodate both the commission members and members of the public who wish to attend an in-person meeting. We will be able to coordinate any travel arrangements for any of the commissioners who would be coming from the east side of the state. As always, we will continue to have a virtual option from here going forward for anyone that is unable to attend in-person. We would like to request that the commission vote on participating in this meeting by voting yes. The expectation is that you plan to attend this meeting July 18th in-person. We will need a quorum of commissioners to commit to attend in order for funding to be approved for this in-person meeting. And I'll turn it back over to Chair Biethan for discussion.

Scott Biethan (00:22:55):

Okie doke. Sandy, I thought we were doing it in Chelan or Leavenworth or something. I'm just kidding. Commissioner Sidor?

Stan Sidor (00:23:10):

I would move that the real estate appraiser commission hold its July 18th meeting in-person in Olympia.

Scott Biethan (00:23:23):

Is there a second? We can continue to have the discussion after that.

Jay Sporn (00:23:30):

I will second it, but I already have plane tickets to New York that week, so I'll be attending virtually.

Scott Biethan (00:23:37):

Okay.

Jay Sporn (00:23:37):

Of course, it's perfect timing as always. But that's seconded.

Scott Biethan (00:23:41):

Okay. Sandy, perhaps the state would like to pop for tickets to New York for everybody.

Sandy Baur (00:23:46):

I don't think that is an option.

Scott Biethan (00:23:51):

Okay.

Sandy Baur (00:23:51):

It's not in our budget.

Scott Biethan (00:23:56):

And for the recording, that's just a bad attempt at humor. Is there any other conversation? How do you all feel about that? I mean, I know that it's pretty doggone easy to do it virtually, but I think there's benefit into being face-to-face as well. But I kind of want to put it back out to the commissioner. Are there anybody else have any [inaudible 00:24:14]? You got something else to say?

Stan Sidor (00:24:16):

Yeah. I was going to say that I think it's a really good idea. Ever since COVID hit, I think I attended my very first commission meeting in January of 2020 in person in Spokane and I'm hard-pressed to... I don't think we've had an in-person commission meeting since, and I would love to be able to have at least one more in-person one here coming up soon. That'd be great, so I'm all in favor of it.

Scott Biethan (00:24:51):

Okay. All right. Any other thoughts or comments? Good motions on the floor to have the July 18th meeting in Olympia Live. All in favor say aye.

Stan Sidor (00:25:14):

Aye.

Scott Biethan (00:25:17):

Any opposed? Seeing none, the motion carries.

Sandy Baur (00:25:24):

Chair Biethan, would you like us to do a roll call vote so that we know if we're going to have a quorum of commissioners present?

Scott Biethan (00:25:34):

I'm going to ask the question. I mean yes, but I guess Jay, I'll ask that question. Were you planning on attending virtually if you're in New York or are you kind of away vacation and you're going to miss the meeting? It's your choice because it's personal time. I don't want to intrude.

Jay Sporn (00:25:51):

I intend to attend virtually. I'm really sad I can't be there. I've never been to one in-person.

Scott Biethan (00:25:58):

Yeah. Okay. All right. Why don't we, yeah, go ahead and take a roll call.

Sandy Baur (00:26:04):

So if Commissioner Sporn is the only one who is voting no, then we can go ahead and put everyone else down as yes, and the staff will go ahead and reach out to Commissioner Potter to see if he will be able to attend in-person or remotely.

Scott Biethan (00:26:24):

Yeah. And Commissioner Stephens, is that okay with you? I want to make sure that we're not just speaking for you.

Denise Stephens (00:26:33):

Nope, that works great. I'll be excited to meet you all.

Scott Biethan (00:26:37):

Good. Okay. Thanks so much. All right. We're on to the next item reports, subcommittee report. So Commissioner Stephens, it's to you.

Denise Stephens (00:27:03):

Okay. This is Mass Appraisal Education Committee subcommittee, and we've been meeting every two months. We've worked on the education requirements between the department of licensing and mass appraisers and the Department of Revenue. We've gathered feedback from colleagues in contact regarding the steps required to become a trainer and the alternative pathways for trainees to gain experience, reviewed demographic data and discussed decline in number of trainees and the potential for most of the workforce out discuss strategies to reach out to a wider base to increase the number of incoming trainees. We've discussed educational possibilities through IAO and the annual market forum and a universal appraisal data set for resources, and our next step at our next meeting, we're looking to have chief appraiser from Thurston County meet with us and discuss the mass appraiser qualifications and education. That's pretty much where we're at.

Scott Biethan (00:28:34):

That's great, and I really appreciate the work you're doing. Are there any questions from the commissioners? Okay. Seeing none? Thank you very much. And I like that idea of having the chief appraiser with whatever county, it went off the screen. That's interesting stuff, and if you think there's anything that comes to merit that we'd be good for the whole commission, we can also entertain having subject matter experts addressed within the subcommittee report, which will lead me to this, the next one. So we've had the HB 1110 subcommittee and we've asked Kathy Walsh, who's the president of A.C.O.W., and for those of you who are in the call, we have the three minute deal for public commentary. I'm going to couch this as she has been asked to be seconded for at least a period of time to this subcommittee and I would consider her to be a subject matter expert and we've had a conversation.

(00:29:47):

I know that her role with A.C.O.W., they lobby, their purpose here, she will not be doing any lobbying, but she's going to give us her insight and her learning and I really appreciate it. The more I talk to her, I just think, "Wow." She's a great resource and a phenomenal source of knowledge on these topics. So I'm going to turn it over to Kathy, and first of all, thank you Kathy for meeting with us in the committee in advance, taking that time and also taking the time to address the commission as well as the public who are listening in.

Kathy Walsh (00:30:19):

Thank you very much, Chair Biethan. It's an honor to be here, really. Let me just pull up my notes. So I want to give you a little background first. So House Bill 1110 was passed on April 18th, 2023. Modifications to the bill were made with House Bill 2321, which passed on March 18th this year. The deadline for incorporating the new regulations is six months after city's next periodic comprehensive plan. Seattle's plan is due July 25th. The bill is aimed at increasing housing options and configurations affordable to various income levels by increasing density and allowing those options in areas served by urban infrastructure with an emphasis around major transit stops. The housing types include duplex, triplex, fourplex, fiveplex, sixplex, townhouse, stacked flats, courtyard apartments, and cottage housing as allowable options with some exceptions including portions of lots with critical areas, deed restrictions, HYAs, lots under a thousand square feet, etc.

(00:31:28):

There are three tiers of density requirements that were required. The cities with less than 25,000 population, one for cities with a population of more than 25,000, but less than 75,000, and cities with a population greater than 75,000. The problem is identified in the larger cities over 75,000, which allows a development of at least six units per lot within a quarter mile walking distance of a major transit stop and the development of at least six units per lot if at least two of those units are affordable. So there's two main concerns to the appraisal profession. First, does a license level of the residential appraiser allow for the appraiser to accept the assignment when the property has greater development potential? And second, how does this affect homeowners with a single family on a lot with the potential of greater development? Will they still qualify for traditional single family one to four unit residential lending?

(00:32:34):

As to the first issue, lending guidelines require appraisers to complete a highest and best use analysis, which is reported on the residential GOC forms for lending. The Washington Appraisal Licensing requirements specifically state that residential appraisers are limited to appraising one to four unit residential properties. Does a property that has the possibility of more than four units exclude us from completing the highest and best use analysis? The coalition reached out to the Appraisal Foundation who in turn said licensing was a state issue, not a USPAP issue, and it would be up to our individual states to provide guidance as they would be the ones to prosecute any wrongdoing. So next we participated in a listening session held by DOL and DOC where we asked for clear guidance on the issue of licensing and highest and best use.

(00:33:30):

In subsequent meetings with DOL and Representative Bateman, we looked to refine the FAQs that were produced. DOL consulted with the Attorney General to provide an opinion on the matter. We were provided with the following statement. "The allowable residential zoning is not determinative of an appraiser's statutory authority to appraise the property." The coalition published this statement to the appraisal community and we have been working with DOL to have the statement officially published on the DOL website released in a public statement or to modify the RCW and WAC, or whatever is necessary to provide clear guidance to Washington state appraisers. This is not a statement that says an appraiser may appraise any property. This is a statement that the residential appraiser is permitted to conduct the highest and best use on a property zoned to allow for more than four units. For a residential appraiser to complete the appraisal of a property, the highest and best use of that property must be a one to four unit residential property.

(00:34:42):

Also keep in mind that if the highest and best use concludes something other than the current use as a single-family dwelling, it is also no longer the highest and best use of that site. If the highest and best use indicates the redevelopment of the current single-family dwelling to two units, three units or four units, the highest and best use is no longer the current use. The guidelines specifically state that any property that is currently is not currently the highest and best use of the site is not eligible for financing through the GSEs. Secondly, moving away from single-family housing and embracing middle housing zoning is a departure for appraisers. It requires appraisers to think past the traditional way of viewing property and blurs the line between traditional four unit residential and more than four unit residential uses.

(00:35:42):

Part of the guidance provided by DOL was that the residential appraiser can conduct the highest and best use on a property that may allow for more than four units if competent to do so. In many cases, the current residential appraiser is not adequately trained to do this. The Appraiser Coalition reached out to the Appraisal Institute's National Board of Directors. They were aware of our situation and other similar situations throughout the country. We were assured that they were concerned and agreed that a new residentially focused highest and best use education was needed quickly. So just when we felt we were narrowing in on some clarity on appraising and mental housing, another complication arose. In what appears to be a direct response to House Bill 1110, Fannie Mae released the March 2024 appraiser update where they addressed rezoning and highest and best use. The articles provided seemingly contradictory information. Fannie Mae stated that they want appraisers to understand that, quote, "Fannie Mae policy for property eligibility determination and the appraisal scope of work are based on the highest and best use as improved. The question of highest and best use as if vacant is immaterial."

(00:37:02):

However, the article also states that appraisers are required to apply the standard for tests to determine the highest and best use as approved of the subject property and explain it in the report. If the use of comparable sales demonstrates that the improvements are reasonably typical and compatible with market demand for the neighborhood and the present improvements contribute to the value of the subject property so that its value is greater than the estimated vacant site of value, the appraiser should consider the existing use as reasonable and report it as the highest and best use. The question is, how can an appraiser compare the value of the

current use versus the value of the site as a vacant if the site value is immaterial? The value of a specific land use is very much influenced by the supply and demand within a market. If an analysis of comparable sales indicates that the value of the lot is X, but the market is indicating a change in land values, yesterday's comparable sales may not be a valid comparable sales for the current market. An as is determination could be misleading.

(00:38:20):

The Appraisers Coalition encourages all appraisers to reach out to Fannie Mae for clarification as their guidance appears to ask appraisers to report value and use rather than a true highest and best use analysis. The effect of House Bill 1110 is that we must closely consider the alternate uses of a lot that was previously zoned as single-family residential lot. In many cases, the highest and best use will continue to be as is until there is adequate market reaction to show the probable use is for redevelopment, and if that development is to create more residential units on a single lot or to create higher density of single-family units. For example, the development of six town home style units on a lot or conversion of a single-family dwelling with two ADUs into a three unit condominium project. While the residential appraiser license level will not allow the valuation of the construction project for development of more than four units, residential appraisers can appraise the individual units when they are completed.

(00:39:31):

We just looked at a development project in Spokane of a 10,000 square foot lot that was subdivided into four lots. Each lot will have a townhouse with a detached garage with an ADU above it. I believe this is the intent of the new zoning. Any type of project where there is individual ownership or if it's a small income property like a duplex triplex or a fourplex, a one to four unit residential use, it is something we as residential appraisers can appraise. We cannot appraise a fiveplex or a sixplex or any type of configuration that is more than four units under one ownership as it becomes a rental investment property, and that's done by a certified general appraiser. So conclusion, this is where we are to date. We request published guidance from DOL regarding licensing and highest and best use. We will continue to work on getting high quality highest and best use education to help residential appraisers meet this challenge, and we request that all appraisers reach out to Fannie Mae to provide clarification and guidance that is in accordance with USPAP, which requires highest and best use, not value and use.

(00:40:44):

Lastly, just a note about Spokane. We are refocusing on the city of Spokane zoning, which initially superseded House Bill 1110 and the middle housing ordinance from the Department of Commerce. Their proposed zoning changes were put on hold until the end of May. Much has changed since that meeting last year, and we can better help them understand where consumer lending may be impacted. I'm confident that we'll get a better understanding of the intent of the zoning and we'll in turn update the appraisal lending communities. That's all I have. Thanks very much.

Scott Biethan (00:41:20):

Good. I do have a question for you. You've got your conference on the 16th and 17th of May. Correct?

Kathy Walsh (00:41:29):

That's right.

Scott Biethan (00:41:32):

I heard this. There's going to be a highest and best use training at that conference that will assist folks that are interested to better understand these issues. Is that correct?

Kathy Walsh (00:41:44):

There is. We're going to have a panel and do a panel discussion of all of the questions that have come up about highest and best use in House Bill 1110 and how they're impacted.

Scott Biethan (00:42:00):

Okay. Okay. Good. Are there any, first of all, Kathy, thank you so much. You all at A.C.O.W. have done a really good job of keeping stakeholders informed and working towards solutions, and not even lobbying, but really getting information out there so that people better understand what are these issues, and I think that is an invaluable service. And I learned when I listened to you, and by the way, there's a correction to the subcommittee members on this should also include Todd Reddington, who I've learned a lot from and he is a tireless advocate of whatever's the right thing for the profession. So make sure that we recognize and thank him in addition to Commissioner Sporn and my [inaudible 00:42:52]. Are there any other questions for Kathy?

Kathy Walsh (00:43:03):

Can I make just one more note, Scott?

Scott Biethan (00:43:06):

Please.

Kathy Walsh (00:43:08):

Both Todd Reddington and Denny DeSay will be leading our panel at the conference, so it should be very interesting. And secondly, I really appreciate being asked here today. In the last few months since becoming the president, I've made some really good contacts with both DOL and DOC and I really appreciate their help along the way.

Scott Biethan (00:43:35):

Yeah. Yeah. Thank you.

Jay Sporn (00:43:38):

Yeah. Thanks, Kathy. Great presentation. Great.

Kathy Walsh (00:43:41):

Thank you.

Scott Biethan (00:43:41):

Yeah. Yeah. Okay. Questions before we move on? I mean, that's a pretty detailed and informative presentation, but I just want to make sure that if there's any of the discussion. Good. I will say the subcommittee is not done. I think that we can continue to monitor what's

happening, report back, point out areas of concern. Again, not from a lobbying standpoint, but certainly I think it's within our mandate to be able to say, "Here's an issue that we have concern over." We won't tell anyone what to do. We can certainly provide feedback to say, "Here are things that we hear from our stakeholders," which include the departments, appraisers, users of appraisal services, and I think it's a perfectly appropriate swim lane for us to make sure that we're aware of it because we're in an advisory capacity, so we need to advise on topical things. Thank you, Kathy. I've had the chance to talk to her a few times before this meeting and I just hang up the phone thinking, "I'm really grateful for what you're doing and what A.C.O.W. is doing. So good, good, good. I've done with that topic. We will move on to turn it back over to Sandy, central investigation and audits, regulatory compliance.

Sandy Baur (00:45:19):

Yes. Good morning. We have been working really hard with our business partners to gather some more meaningful data around the complaints. We have been working really hard for the last year to get some educational points that would bring clarity to the complaint process, so I would really like to introduce Evelyn Manley Rodriguez from our Central Investigations and Audit unit to start presenting these complaint case counts.

Evelyn Manley Rodriguez (00:45:54):

Good morning. Thank you. Thank you, Sandy, and good morning commissioners. I will apologize. My camera is not working so I will be off camera. My name's Evelyn Manley Rodriguez. I'm a program manager with Central Investigation and Audits unit. I will be presenting quarter one appraisal complaint and investigation data. So as of quarter one, our office received five complaints. Four of those complaints were sent to investigations during quarter one. Our investigations unit completed 29 cases and 30 of those cases were closed. As of quarter one, our complaint intake unit reported zero open cases and as of quarter one we have 26 open cases and investigations. 24 of those cases are active investigations and two are pending assignment to an investigator. And lastly, two cases are currently with compliance unit. So this concludes my presentation and I would like to introduce Nathan Buck, investigation supervisor, that will speak to more about complaint and investigation trends. Thank you. Nathan?

Nathan Buck (00:47:15):

Good morning, everyone, and thank you, Evelyn, and thank you, commissioners. Again, my name is Nathan Buck. I am the investigation supervisor. To go over the most common intake complaints, we have inappropriate comparable sale selection, use of dissimilar comparable sales due to site characteristics, and use of physically dissimilar comparable sales due to age. When we conduct our investigation, what our common findings are unsupported adjustments, use of dissimilar comparable sales and misreporting condition and quality. And with that I would go ahead and refer to our remedies and sanctions portion to our compliance manager, who is Ron Brosey.

Sandy Baur (00:48:13):

Mr. Brosey, you're muted.

Ron Brosey (00:48:17):

Terribly sorry about that. Good morning. Regulatory compliance manager, Ron Brosey. The most common remedies and sanctions imposed in the last quarter were disciplinary action fines, continued education and license suspension.

Sandy Baur (00:48:35):

Thank you so much. I would really like to thank our team for reporting on this data. And with that, I'm sure we're happy to answer any questions. Commissioner Sidor.

Stan Sidor (00:48:47):

Thank you. I appreciate it. It was interesting hearing the list of the major issues surrounding complaints. Pretty much all of those, I don't think there were any that I heard that would fall outside this, represent a subjective judgment issue based on the appraiser's judgment. I mean, a lot of times I know, I assume most of these relate to maybe residential appraisals, but I know when I'm appraising a commercial property, I had one recently that I did in Kent and it was a unique building and property and it was really challenging to try to find comparables, and I know I've had people sometimes challenge me and say, "Well, that wasn't a comparable." And I'm saying, "Well, you misunderstand the word comparable, and then it doesn't mean that it's exactly the same. It's something that is market data that I'm using to try to bracket a range of value to more narrowly define where I think I can come in and support market value." And so sometimes I guess I'm concerned I'm expressing some questioning or concern about the types of issues that are being raised in these complaints, and how many of these are being judged by the DOL as, yeah, the appraiser didn't do the credible work they needed or that they're just dismissed as, well, just because somebody who received the report didn't like the comps that were used. Anyway, I hope that's understandable.

Sandy Baur (00:50:40):

Yes, that's a really good point, Commissioner Sidor, and I'm going to hand this off to Mr. Nathan Buck to answer that.

Nathan Buck (00:50:48):

Thank you very much and thank you very much for the question, Commissioner. So most of these complaints that we do see again are just complaints that come in from Fannie Mae. We do get a lot of complaints from our consumers, as well. However, these are what we tend to see a lot of times. It doesn't necessarily mean when we conduct the investigation that that's what we find. During the course of the investigation, we do take into consideration all aspects. So with that, we do look into it quite extensively and we do take into the consideration those factors that you have mentioned, so thank you.

Sandy Baur (00:51:33):

Commissioner Sidor.

Stan Sidor (00:51:34):

I just wanted one last little follow up comment. I appreciate that. I guess the only question that comes into my mind when I hear about things of selection of comparables and the opinion about quality and condition and certain characteristics is people such as yourself who are reviewing these appraisals and making determinations or calls on credibility. I'm going to assume none of

you are trained, educated, and experienced appraisers, so just gets into a concern area for me about who's making what judgment calls on how good an appraisal is or is not. Anyway, thank you.

Sandy Baur (00:52:32):

Thank you. Thank you. I'll hand that back over to Mr. Buck to answer that.

Nathan Buck (00:52:32):

Thank you very much, and thank you very much for the concern and the question. Our investigators do go through some extensive appraisal training. We also have on staff several investigators who have probably a combined of over 40 years of experience in appraisal actually conducting appraisals, so I'm fairly confident in our training and our experience with conducting these reviews, so thank you.

Stan Sidor (00:53:01):

Great. Thank you. That's good to know.

Scott Biethan (00:53:05):

I do have a quick question, if I may. The numbers were put up there, are you able to shed any highlight of residential versus certified general? Are these complaints received and all the numbers up there? You maybe don't have that number, but do you have any idea of what's certified residential versus certified general?

Sandy Baur (00:53:32):

Right now, Chair Biethan, we're not capturing that information, so all we have is a aggregate data to present.

Scott Biethan (00:53:43):

Gotcha. And this is better than we had, so I appreciate it. Commissioner Sporn.

Jay Sporn (00:53:45):

Yeah. I believe, Mr. Buck, didn't you say that most of these plates are generated through Fannie Mae?

Nathan Buck (00:53:56):

We do have a considerable amount of complaints that come from Fannie Mae. Correct.

Jay Sporn (00:54:00):

So all of those I would assume are residential complaints.

Nathan Buck (00:54:03):

I would say a good majority of them, yes.

Jay Sporn (00:54:07):

Thank you.

Sandy Baur (00:54:11):

Are there any other questions for our complaint case data?

Scott Biethan (00:54:19):

I appreciate the introduction of the information and the insight, I really do, because our licenses are our livelihood, so thank you very much.

Sandy Baur (00:54:30):

All right. Next up we have our licensee counts, and I would like to introduce Tanya Hessler to present this information.

Tanya Hessler (00:54:43):

Good morning, everyone. Tanya Hessler. I am the program manager with our appraisers unit. Here we have the licensee counts for active licensees in relation to their age groups. So 65 and above, we have 613, 55 to 64 is 809, 45 to 54, 722, 35 to 44 is 493, 25 to 34 is 241, and then less than 25 years old, we just have 20. And here's the breakdown for the licensee counts by county with a grand total of 2,898, which is also the grand total of the licensee count of active licensees. And here are the licensee counts for year over year from March 6th, 2024. So starting in 2020 and then we can see the fluctuations in '21 and '22 as the pandemic and things were going on, and then they've started to level out in 2023 into 2024. So for January and February, we have processed 30 new applications and 118 renewals in January, 11 new applications in February and 88 renewals.

Sandy Baur (00:56:25):

Thank you so much. That concludes the licensing counts report. Are there any questions for Ms. Hessler? Okay. Thank you very much. Back to you, Chair Biethan.

Scott Biethan (00:56:39):

Thank you. All right. I think we are on to 8.4, boards, commissions and outreach, so Sandy, back to you.

Sandy Baur (00:56:49):

Yep. That's me again. So each quarter the Washington Center for Real Estate Research publishes a housing market report. This report contains data such as well single-family home sales within the state. It also provides insight to the sales volumes, sales prices. It also allows for seasonal adjustments, and then it estimates the month's supply of homes that are on the market. We have included the most recent report, which is from the fourth quarter of 2023, in your packets for your convenience. What we would like is is this report valuable to you, and if so, we would be happy to maintain adding this report every quarter. Are there any questions about the housing market report?

Scott Biethan (00:57:51):

So the question is do we want to keep receiving it? Mr. Sporn.

Jay Sporn (00:57:55):

I would say yes, that's valuable information. I mean, we go there on a regular basis for our mass appraisal stuff, some other places, but people always ask us, "Where do you get your data from?" And when you're raising people taxes, they think they just make it up and it'd be nice to have something to refer to. I'd love to see this in a quarterly deal or be able to send it out as a PDF. Thank you.

Sandy Baur (00:58:18):

You're welcome. I would like to add that the Washington Center for Real Estate Research is a publicly accessed website so any member of the public can access and download their quarterly report, but we are happy to continue to provide this on a quarterly basis in your packet for every meeting. Thank you.

Scott Biethan (00:58:46):

Thank you. And I guess this is to Sandra now for master action item list.

Sandra Schaefer (00:58:54):

Yeah. Thank you, Chair Biethan. And so this actually I will turn over to Sandy. Normally this is my list, but it's a very short list and she has the report out for it, so back to you Sandy.

Sandy Baur (00:59:09):

Thank you so much, Sandra. So the only action item that we have on our list today is the recruitment to fill the financial employee seat on the commission. So we have concluded all of our conversations with each candidate that has applied for this position and we have forwarded our notes to the director's office, so we are hoping to have an appointment from the director's office within the next few weeks, and with that I'm happy to answer any questions. Okay. Back to you, Chair Biethan.

Scott Biethan (00:59:44):

Okie doke. So we're now going to turn the meeting over to the public and this is our public commentary period, and I'm going to be honest, I don't like the three minute limit, but we are going to adhere to it and understand the reasoning for it as well. But you can always send comments in the written form as well before the meeting. Now what I'm going to do is I'm going to ask Sandy if there are any meeting or any written comments that have been provided, ask you to read that, and if the comments are outside of our jurisdiction, we won't be able to even act on it, but you get three minutes. But we will be after this, then we will consider as a commission what we do on the various topics. So Sandy, did I forget anything else in those instructions?

Sandy Baur (01:00:49):

No, Chair Biethan, and we did not receive any written public comments for this meeting.

Scott Biethan (01:00:56):

Okay. So we're going to take this in order of how I see him on my screen, and Dallas Kiedrowski. Thank you for joining and you always have good insight. Looking forward to what you're going to bring to us.

Dallas Kiedrowski (01:01:13):

Thank you, Chair Biethan, and for the other commissioners for allowing me to speak today. Try to get through this real quickly, so sorry if I go real fast. Thank you for the opportunity to address you. I want to address you regarding property data collectors, or PDCs. My name is Dallas Kiedrowski. I'm a certified residential appraiser, mass appraiser and a member of the A.C.O.W. legislative committee. Originally the PDC program allowed data collectors to gather detailed video scans, notes and photos, which was then passed on licensed appraisers for analysis. This was widely used during COVID. However, during 2023, Fannie Mae rebranded the program as value acceptance plus property data while Freddie Mac started calling their similar initiative automated collateral valuation plus PDR. These renamed programs eliminate the appraisers from the process entirely, leaving both the lender and consumer to rely on the opinion of an unlicensed data collector and proprietary AVM model.

(01:02:00):

The situation gets further complicated by the public perception of the person you are letting into your home. I would ask the committee, if you are getting a mortgage and the bank sends someone to your house as part of the appraisal process, would you perceive that person to be an appraiser or at least expect them to be a licensed real estate professional? This raises concerns regarding public safety. These are unlicensed individuals who are going into your home, taking detailed video scans, photos and notes. Where is that data stored? Is it on the phone of the data collectors? What recourse, if any, would a consumer have if they were harmed by a PDC, such as their property being damaged or their private information shared without their consent? Furthermore, what consumer protections are in place when a lending decision is made based solely on a property data inspection report?

(01:02:39):

If the report risk represents the subject characteristics or location, for example, specifically ignores health and safety item, or if there's evidence of bias and discrimination in the report, there appears to be no recourse. In contrast, if there's an issue with a report completed by a licensed appraiser, there are multiple paths for the consumer to seek recourse to state licensing level as well as the federal level through HUD. Property data inspector is not licensed, is not certified, is not required to carry [inaudible 01:03:02]. The property data report is later found to be misleading, fraudulent or biased, it could leave the consumer with no options for remedies. This would appear to be at odds with the goals of the [inaudible 01:03:12] action plan, and the VA has cited the prior position of veteran safety as a primary reason for refraining from adopting the PDC program. These concerns have led to legislative action in Mississippi advocating for licensure for property data collectors with HB 1663, and in Utah, their division of real estate has proposed revisions through rules for AMC regarding PDCs.

(01:03:34):

Additionally, like organizations like the National Association of Realtors, Appraisal Institute and National Association of Appraisers have sent letters to the Federal House and Finance Agency which oversees the GSEs. A.C.O.W. was recently invited to go to the Washington State House Consumer Protection Business Committee testify regarding the PDC program. In addition to our testimony which is available to view publicly, we shared letters from the National Association of Realtors [inaudible 01:03:54]. During the session, legislators themselves raised specific

apprehension. They highlighted the lack of anti-bias and for housing training for PDCs, a recommendation clearly outlined in the [inaudible 01:04:03] action plan. Additionally, there were worrisome questions about data privacy and protection, particularly regarding potential commercialization of data sales to third parties. If any evidence of these sales exist, legislators express strong interest for being informed. I know we're running out time here, so just really ask the REAC Commission liaise with that Consumer Protection and Business Committee and on this topic.

Scott Biethan (01:04:24):

Thank you.

Dallas Kiedrowski (01:04:24):

Thank you so much for your allowing [inaudible 01:04:25].

Scott Biethan (01:04:25):

Thank you. Good. All right. Thank you, Dallas. I know I can sort of cut you off there, but I really do appreciate it. Anyone else have public commentary? Scott DiBiasio, thank you for joining us.

Scott DiBiasio (01:04:41):

Great. Thank you very much, Chair Biethan. This is Scott DiBiasio with the Appraisal Institute, and I appreciate Mr. Kiedrowski's comments in relation to property data collectors. I guess the only thing that I would add is something kind of interesting, which is that we had Danny Wiley from Freddie Mac speaking at a conference, a joint regional meeting that we had last week in Florida, and he made a statement that was pretty shocking to me and that was that the use of property data collectors is a very short term phenomenon and that they are actually trying to phase out the use of property data collectors, and his reasoning for doing so was that the information that the property data collectors are providing to them can be very easily provided to them by certain technologies that are available in the marketplace.

(01:05:41):

So he basically said that they were, and he didn't provide a timeframe, but basically led me to believe that they're going to be phasing out the use of property data collectors in favor of technology. So that's given us a little bit of pause as to how much time and energy we want to put into regulating property data collectors if their use is going to be phased out here over time. And of course, there's no ability to regulate technology. So just something to keep in the back of your mind that the property data collectors may be sort of a short-term phenomenon here and putting in place very robust regulatory structures may not necessarily be required. So thank you. I appreciate it.

Scott Biethan (01:06:33):

Thank you, and I apologize for mispronouncing your last name. We both have great first names, and so there you go. That's all I can say.

Scott DiBiasio (01:06:42):

Don't worry about it. Smith is fine.

Scott Biethan (01:06:43):

Smith is fine. I get the same thing with mine. Any other public commentary? Mr. Reddington.

Todd Reddington (01:06:56):

Oh, you knew you couldn't get through a meeting without me talking.

Scott Biethan (01:06:58):

[inaudible 01:07:00].

Todd Reddington (01:06:59):

No, and mine is completely off the cuff to a certain degree. You were talking about the continued use of the subcommittee for HB 1110. I would just like to encourage the committee as well as the public in general that are listening that we're, what, nine months away from the next session, but HB 1110 has really become the cornerstone in the building block for additional legislation. And we just had a situation with HB 1998 where the wording of the bill when combined with HB 1110 created some significant unintended consequences. The bill basically said that co-living housing could be built on any multi-unit lot. Well, HB 1110 basically eliminates anything but multi-unit lots in any city greater than 25,000 people. Fortunately we were, or we, I say we, but an amendment to that bill was brought in and changed it to being for lots at least six dwelling units, which limited it to just the cities of greater than 75,000 people.

(01:08:12):

But it still was very interesting how some of these bills are interacting and using wording that no longer means what people think that it means, and as a result, things are happening that are not necessarily what was intended. So I just would encourage the committee and the public in general as we get to this next session, that when you're reading bills and considering whether or not you're going to make any advisements on them, that you consider them in light of and in correlation to HB 1110. So those were my words. Thank you for your kind words earlier, Scott. I appreciate it. I appreciate being a part of the process and look forward to whatever comes next. Have a great day. Thanks.

Scott Biethan (01:09:06):

Thank you very much. And Mr. Town.

Mr. Town (01:09:13):

Good morning, commissioners. Thank you very much. I'll keep my comments brief. One thing I wanted to say is I have the utmost respect for Kathy Walsh, Todd Reddington, Dennis DeSay, all of these folks I've had conversations with and we've had our differences and discussions and so forth, but no lack of respect from me to any of these folks. One thing I wanted to leave you with this morning is HB 1110 is one of the most confusing pieces of legislation to happen in Washington state, but it ties directly into how appraisals for residential properties need to be done on the GSE forms. When you're doing an appraisal on a GSE form, the assumption is that it's a current value in current use. Anything beyond that having to do with H&BU highest and best use analysis for what might happen in the future has no bearing on that current appraisal.

(01:10:16):

So I think I may be the first person in America to bring this up, but highest and best use analysis has been in place for 40 years or however long it's been. It's deficient. Let me say that again. It's deficient in how the application is being applied in these situations where we have zoning changes now that are increasing the density, those increasing density requirement, they're not requirements. They're allowances that homeowners or buyers and so forth can do to a property. But if it's for a current appraisal, you have to appraise it as it currently sits. So the one element that's missing from highest and best use for tests is the intent of the owner or the intent of the purchaser, and I'm thinking that the appraisal associations and everybody else involved needs to take into consideration rewriting the highest and best use tests to include the intent of the people that have a direct access to the property.

(01:11:28):

The second thing I was going to mention here is Kathy mentioned the Fannie Mae statement that was put out about doing current use appraisals. That's nothing new. That came out several years ago, as a matter of fact. They got heat for it then and they're still getting heat for it now. The other thing I was going to mention is the insurance. I just saw an article that come out in the paper that insurance companies, because of density increases in certain communities, are canceling homeowners insurance, so that's something that appraisers are going to have to keep their eyeball on going forward. Thank you for your time this morning.

Scott Biethan (01:12:13):

Thank you. Good. Let's see. Are there any other folks that would like to comment on the public session here? All right. Seeing none. Let's double check. Okay. We are now closing the public comment session. As always, you can put comments in via a written format. All right. Onto the next item. Do we have any announcements to share to staff and commissioners and the appraisal foundation? President Kelly. Oh my gosh. Someone I know well, and I just blanked on the last name. Would you please forgive me, Sandy.

Sandy Baur (01:13:24):

I'm looking that up. Sorry.

Scott Biethan (01:13:26):

Geeze. I can see her.

Sandy Baur (01:13:27):

In the mean-

Speaker X (01:13:29):

Kelly David. Kelly David. Kelly David.

Scott Biethan (01:13:30):

Thank you. Thank you.

Sandy Baur (01:13:33):

That's right.

Scott Biethan (01:13:34):

I had a stint where I served on the Appraisal Foundation to one of their subcommittees, and she was great. She kind of came in when I was there and I really like her, and Sandy said, "Do you want me to make an announcement or would you like to?" I'd like to because I know her really well and then I just brain fluffed right there. Yeah. She's really sharp and she's following some big footsteps and I think we can expect a lot of great things coming out of the foundation. And so with that, I guess I'm going to turn it back to Sandy. Any other announcements that we need to put out there?

Sandy Baur (01:14:15):

We have included the USPAP Q&A that was recently published by the Appraisal Foundation. This Q&A covers the topic of personal inspections. We included this in your packet for your information, but more can be found on it at the Appraisal Foundation website.

Scott Biethan (01:14:36):

Great.

Sandy Baur (01:14:37):

And that's the only announcements that the staff have.

Scott Biethan (01:14:42):

Claire, I guess I'm going to turn it over to you, which not one I'm looking forward to.

Claire Elston (01:14:52):

Yes. This is Vice Chair Elston, and as Scott knows, I have retired, am retiring, and so I will continue to serve on the commission until they can fill my position. So it's been a pleasure to serve with the commission and that's my announcement. Thank you.

Scott Biethan (01:15:21):

I know we're going to be doing at some point recognition, but Claire has been an amazing support for me personally and asks tough questions and makes me think about things, but in a very supportive and positive way. So Claire, I'm just, couldn't you wait three or four more years? It'd be really great for me. But you have been an incredible support. Okay. Any other announcements that are not on our agenda? Seeing none. Okay. Requests for future agenda items? And go ahead, Sandra. I'm going to turn it to over to you and then we'll go from there.

Sandra Schaefer (01:16:07):

Thank you, Chair Biethan. So this is to address the commissioners. Do you have any agenda items or action items that you would like to add to the next meeting that came up during this meeting or just anything you haven't emailed me at this point?

Scott Biethan (01:16:26):

And this would be the time to bring up things that came from the items from the public. Is that correct?

Saundra Schaefer (01:16:31):

Correct. And anything during this meeting, but yeah, especially if there's any topics that were discussed from the public members that you would like to have the commission address. Commissioner Sporn. Yeah.

Jay Sporn (01:16:50):

Well, I think we should continue have at least a section on HB 1110 and the associated bills and consequences of that. I mean, we're really at the start of this, what we're seeing here in Spokane. We kind of got to jump on everybody because of our BOCA legislation and really starting to see some changes in the market that reflecting this. I think Kathy knows as well. In interviewing with the planning department for the city, they've had three, is it three, three and a half weeks of backlog of destroyed properties, I think predominantly because removing a house to have a higher and best use and more units, so I think this is going to be a continuing issue. We're just at the very start of this. And in appraisal, we follow the market. We don't lead. So we can't wait. We got to see the market reaction of purchasers and buyers, and again, the lenders and everything. This is just at the very start. I think this has got to be an ongoing thing for every meeting for a while.

Saundra Schaefer (01:17:50):

And that would continue to be under the subcommittee report out if you continue to meet. But I took note of that, so thank you very much. If we have no other suggestions, I can move on to the next, 10.3. Is that okay?

Scott Biethan (01:18:05):

No, no, no. Don't move on yet, please.

Saundra Schaefer (01:18:05):

Oh, okay. Sure.

Scott Biethan (01:18:09):

I have to say hearing Dallas and Scott talk about the PDC, the data collectors, there's some things that I know I've heard before, but I heard it loud this time and I'm going to ask the commissioner what you think about this. And part of the problem we have is we're down zone commissioners and that is... So right now you've got the folks that are already on the commission doing a lot of things, but I'm wondering, do we want to put a placeholder in this and maybe have that as an agenda item and discuss at the next meetings? Because when I hear words like consumers not having recourse, having data that you don't know where it's going to go, we don't know what the training is for these folks. Might be phasing out with technology. I guess at first I wasn't sure if it was an issue for me personally, because I think on the certified general side, it's not uncommon to use an outside property inspector, but these are firms that do this.

(01:19:31):

I'm comfortable with the firms that are being used. We're pretty familiar. We don't do it very often, at least I don't do it very often. In fact, very rarely. But other appraisal practices do, and

I'm pretty familiar with this, but I hear this in terms of the residential side and I'm thinking, "Huh. Would it be something that we want to put a placeholder in and as we get some of our commissioner spots staffed, that we at least are collecting information and maybe better understand that issue?" Because I'm just thinking out loud here and I'm not sure how to do that, Sandy and Sandra, but I think perhaps we might want to have at least put it on the agenda and have a discussion around it.

Sandy Baur (01:20:20):

What if we put it on our master action items? Master action item list is to keep an eye on property data collectors and then bring it back on our master action item list every meeting until we have a full commission to address it?

Scott Biethan (01:20:37):

Or at least if we get more commissioners or we get interest as we have these discussions. In the interim, between this and the next meeting, I know time is always of the essence, but.

Sandy Baur (01:20:47):

Yeah. We can always keep it on the master action item list, do a quick check-in, and then whenever the commission is ready to add it to the agenda, we can do so.

Scott Biethan (01:20:57):

Yep. Yep. Unless there's a majority of commissioners that say, "No, Scott, we don't want to do that." I'd be happy to be overruled. Okay. Great. I guess we're-

Sandra Schaefer (01:21:14):

So item 10.3. Are you ready?

Scott Biethan (01:21:18):

Yeah. Go ahead.

Sandra Schaefer (01:21:24):

Okay. Perfect. Sorry. [inaudible 01:21:26].

Scott Biethan (01:21:25):

I'm just looking to make sure where we're at.

Sandra Schaefer (01:21:30):

So I have a couple of action items that were captured from this meeting. This meeting I have potentially Scott and Rachel from Fannie Mae and Freddie Mac attending as guest speakers at the next meeting to discuss DEI. That would be something that Sandy and I can work on trying to get to happen depending on their schedules and availability. I also have myself to reach out to Commissioner Potter to confirm whether he will attend the upcoming in-person meeting, either in-person versus virtually. I have staff to open a recruitment for Vice Chair Elston's seat, unfortunately. And I have the property data collection to be added to the master action item list to address the public members' concerns. And please let me know if I missed anything.

Scott Biethan (01:22:20):

Not that I can see from my end. Anyone else?

Sandra Schaefer (01:22:27):

All right. Back to you, Chair Biethan.

Scott Biethan (01:22:30):

Okay. All right. So it is now 11:24 on April 18th, 2024. Look for a motion. Oh, no motion is needed. So the meeting is now adjourned, and our next meeting will be July the 18th, 2024 at 10:00 a.m. And so I think we, yeah, right. Right. So we have elected to have the in-person meeting, so the meeting's adjourned. The next meeting will be the 18th at 10:00 a.m. in Olympia with virtual attendance option open via Teams. I do want to say a thank you to Sandy and Sandra. For those of you that do know and those of you probably assume, they do an incredible amount of heavy lifting between the meetings to get us ready, so I just want to say thank you very much. We couldn't do it without you, and it's much appreciated.

Sandra Schaefer (01:23:26):

Likewise.

Scott Biethan (01:23:27):

I believe that's it, and I appreciate everyone, and we will see you in Olympia, not Chelan, on the 18th.

Stan Sidor (01:23:43):

All right.

Scott Biethan (01:23:43):

My poor sense of humor.

Stan Sidor (01:23:44):

Everybody have a great weekend.

Jay Sporn (01:23:46):

Thanks, everyone.

Speaker X (01:23:47):

Thank you.

Scott Biethan (01:23:47):

Bye, everybody.

Sandy Baur (01:23:48):

Thank you. Have a great weekend.

Speaker X (01:23:49):

Thank you.