



TO: Elizabeth Pauli, City Manager
FROM: Mayor Victoria Woodards; Bucoda Warren, Chief Policy Analyst to the Mayor
COPY: City Council and City Clerk
SUBJECT: A Resolution directing the City Manager to conduct additional research and outreach on items related to the Rental Housing Code for discussion at the Community Vitality and Safety Committee, and report back to the City Council by the end of the year on available data and data gaps, strategies for addressing data gaps, and options for implementing additional protections; and include any amendments that are not adopted as a part of Ordinance 28894 as items to be researched as a part of this resolution.
DATE: July 5, 2023

SUMMARY AND PURPOSE:

A Resolution directing the City Manager to conduct additional research and outreach on items related to the Rental Housing Code for discussion at the Community Vitality and Safety Committee, and report back to the City Council by the end of the year on available data and data gaps, strategies for addressing data gaps, and options for implementing additional protections; and include any amendments that are not adopted as a part of Ordinance 28894 as items to be researched as a part of this resolution.

COUNCIL SPONSORS:

Mayor Victoria Woodards, Deputy Mayor Kristina Walker, and Councilmembers Catherine Ushka and John Hines.

BACKGROUND:

Over the last five years of administering the Rental Housing Code (RHC), research and ongoing engagement with the RHC Stakeholder Advisory Group, targeted community outreach efforts conducted in the Spring of 2023, and a year of engagement with the Council Community Vitality and Safety (CVS) committee, recommendations were developed to bring to the City Council. Over the course of May 2023, City Council sponsors including Mayor Victoria Woodards, Deputy Mayor Kristina Walker, and Council Members Catherine Ushka and John Hines met with signature gatherers to better understand a community proposal that will be on the November ballot. Following these meetings, sponsors worked with RHC staff to take the proposed changes developed by the RHC Stakeholder Advisory Group and further develop protections that were shared with the CVS committee on May 25, and with the full Council on June 13 and 20. Council has considered Ordinance 28894 at first reading on June 27, 2023, that contains the sponsors recommendations.

During the review of RHC changes, community stakeholders, council members and staff identified additional opportunities to strengthen our RHC to serve the community. Sponsors recognize these topics are nuanced and have the potential to have harmful unintended consequences on the rental housing market and broader community. Thorough policy development warrants more research and stakeholder engagement to ensure that what is ultimately adopted policy-wise is not only legally enforceable, but also do as much as possible to protect tenants while avoiding adverse community-wide impacts in an already challenging housing market. The importance of continuing work on the RHC in a meaningful way led the sponsors to bring this companion



resolution to Ordinance 28894 to ensure that important questions raised during the outreach process are thoroughly researched and solutions brought back to the whole Council on a timeline that shows serious dedication to addressing the issues of housing in Tacoma.

The research questions were captured as a part of the Rental Housing Code comparison chart and subsequent conversations by the sponsors. These additional topics and questions will be researched by staff, and additional information and options for implementing additional protections will be brought back to the City Council. The topics are listed below based on categories considered during the outreach process.

- General Topics
 - Can we require digital notices and tenant information packets rather than printed in some or all cases while still ensuring proper notice to tenants to cut down on costs to housing providers
 - What are the demographics of housing providers in Tacoma, including income, age, ethnicity, gender, those with limited English-speaking ability, veteran or current military status, female head of household, or differently abled
 - What are the demographics of renters in Tacoma, including income, those defined as ALICE, age, ethnicity, gender, those with limited English-speaking ability, veteran or current military status, female head of household, or differently abled.
 - Research what other communities are doing to regulate out of state/out of city housing providers, and what communities are doing to incentivize local housing providers to build and/or maintain local rental units.
 - Provide options for defining low-income under the rental housing code and how that can be implemented throughout the code, including provisions for reconsidering tenants' eligibility for certain programs when they lose their job or income level changes during a lease.
- Screening Criteria
 - Research what other communities are doing when it comes to addressing landlord limitations on dog breeds in their units if they allow pets, and alternative methods that may be used to limit pets other than breed.
- Fees and Deposit Standards
 - Research what other communities are doing to limit monthly fees associated with pets, and what current housing providers in Tacoma charge for pets at their properties.
 - Determine if the City of Tacoma should adopt protections that limit certain move-in fees, including whether Tacoma should limit move-in fees that exceed the first month's rent; and define allowable/prohibited move-in fees including "last month's rent"
 - Define and determine which refundable deposits are allowable/prohibited at move-in, and provide options on how additional deposits can be utilized to mitigate risks of housing providers renting to higher risk tenants.
- Business License Requirement



- Through the annual business license and/or through an annual survey, what information should be asked of housing providers to collect usable data? For example, rental rates across landlord's portfolio, and rent increases implemented that year.
- Relocation Assistance
 - Provide options for implementing an Economic displacement relocation program for low-income tenants that provides financial assistance when their rent increases beyond a certain level in a year, including what proportion the City/landlord each pay, how much assistance is provided, how a tenant applies, and other questions required for implementation.
- Eviction Protections
 - What specific concerns do tenants have around no-cause evictions and termination of tenancy during cold weather or school year months for certain low income/fixed income tenants that are not covered by Just Cause Eviction Protections?
- Penalties and Enforcement
 - What funding sources can support relocation assistance, or support programs for smaller housing providers? For example, can penalties assessed by the RHC, or rental business license funding be utilized?
 - Determine if the rental housing code allows penalties assessed by City to be given to tenant if tenant was due relocation assistance under current code and landlord did not comply, and whether this source of funding should be used to support rental/relocation assistance or incentivizes for housing providers.
 - Research options for penalizing scammers who falsely list rental properties who are not the property owner and determine if these penalties can and/or should be used to fund financial crimes enforcement.

COMMUNITY ENGAGEMENT:

The Rental Housing Code Stakeholder Advisory Group – comprised of City of Tacoma staff, non-profit and affordable housing representatives, housing providers and tenant advocates – began working in 2018 to position the City of Tacoma as a leader in Washington state in the establishment of rental housing protections. Many of the proposed updates the Rental Housing Code Stakeholder Advisory Group began working on in 2021 were presented on July 28, 2022, to the City Council. The sponsors believe maintaining trust with stakeholder groups through the pre-determined process is vital to ongoing engagement and ensuring Tacoma continues to be known for its methodical collaboration with stakeholders on housing issues.

The RHC Stakeholder Advisory Group will continue their work together and with the Community Vitality and Safety Committee and City staff to evaluate additional changes to the RHC to better strengthen protections while expanding our housing market. This may also include additional outreach surveys to tenants and housing providers to collect input on additional protections or proposed changes.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:



The primary targets of this legislation are tenants, housing providers, and property managers, but because safe and affordable housing conditions effect all Tacoma residents, the legislation it expected to benefit the entire city. It will strengthen protections for tenants, who disproportionately represent lower-income levels in Tacoma, and provide additional guidance and standards to housing providers and property managers.

Renters are more likely to be lower income than homeowners, making them more vulnerable to economic crises and displacement pressures. Additionally, the City’s Homeownership Disparity Study, published in 2021, shows that BIPOC Tacoma renters are more likely to be cost burdened than white renters. The study also shows that renters are disproportionately residents of color, while homeowners are disproportionately white. This means that renters are more likely to be BIPOC and more likely to be lower income, and that BIPOC renters are the most likely to be lower income. Continuing to evaluate questions related to the RHC that can improve renter protections will most benefit these Tacoma residents.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.

Livability: *Equity Index Score:* Moderate Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Increase positive public perception of safety and overall quality of life.

Explain how your legislation will affect the selected indicator(s).

Additional renter protections can increase housing stability for low-income Tacoma renters by alleviating some displacement pressures and reducing the number who are cost burdened. Proposed changes can also help support a more robust rental market that is competitive and safe for both renters and housing providers, making Tacoma a more desirable market for people who may look to relocate to Tacoma over other jurisdictions.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Adopt Resolution	The City Manager will be directed to prioritize questions and topics related to the RHC, and tasked to bring back information and options back to the City Council	
2. Reject Resolution		The City Manager will continue regular efforts to review the RHC but will not be directed to prioritize these questions.



City of Tacoma

City Council Action Memorandum

EVALUATION AND FOLLOW UP:

Staff will work with the RHC Stakeholder Advisory Group and through the Community Vitality and Safety Committee and other methods to research, and get feedback, on various changes to the RHC and bring additional information and recommendations to the City Council later this year.

SPONSOR RECOMMENDATION:

The Sponsors recommend adoption of the companion resolution to prioritize research into additional questions that were not considered as a part of Ordinance 28894 amending TMC 1.95.

FISCAL IMPACT:

There is no direct fiscal impact to adopting the resolution.

ATTACHMENTS:

- RHC Comparison Document