



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Diane Powers, Director, Office of Equity and Human Rights  
**COPY:** City Council and City Clerk  
**SUBJECT:** **Recommending enactment of the Rental Housing Code, TMC 1.95  
Recommending changes to the Hearing Examiner Code, TMC 1.23, for  
related appeals – November 13, 2018**  
**DATE:** November 7, 2018

**SUMMARY:**

Staff is proposing the Rental Housing Code in TMC 1.95 to provide for more tenant protections than what is provided in the state Residential Landlord Tenant Act (RCW 59.18), to include: increasing the number of days a landlord must give a tenant before terminating a tenancy, increasing the notice required to increase rent in some situations, requiring landlords to pay tenant relocation assistance in certain circumstances, and requiring landlords to provide tenants with information relevant to the rental agreements and rental properties.

**STRATEGIC POLICY PRIORITY:**

The strategic policy priorities that best align with this action are the following:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

In April 2018, the City Council enacted the “Tenant Rights Code”, TMC 1.95, requiring a 90-day notice period in the event of demolition, substantial rehabilitation, or conversion to another use. That code is set to expire on January 31, 2019.

Since the Tenant Rights Code was enacted, City staff have researched a range of tenant protections in other local jurisdictions, and tenant relocation assistance provisions authorized by state law. The Rental Housing Code was developed by using data from the City’s Landlord-Tenant Program, feedback received from Citizens Forums, City Council meetings and a stakeholder group. The stakeholder group consists of tenants, landlords, and legal representatives of both landlords and tenants. The group met five times to discuss rental housing code provisions.

The proposed “Rental Housing Code” includes: a 120-day notice to vacate, and relocation assistance for low-income tenants (authorized by RCW 59.18.440), when a landlord intends to change the use, substantially rehabilitate or demolish a dwelling unit; a 60-day notice to vacate for no-cause eviction; codifies relocation assistance when the City declares building uninhabitable (authorized by RCW 59.18.085); a 60-day notice requirement for 10% or more rent increase within proceeding 12-month period; a requirement that landlords distribute certain information; prohibits retaliation; allows installment payments for various deposits and fees; and authority to enforce violations.

Relocation assistance for low-income tenants when a landlord intends to change the use, substantially rehabilitate or demolish a dwelling unit is needed in Tacoma because of the high cost of relocating. This type of relocation assistance is authorized by state law, RCW 59.18.440. See Attachment A for detailed information about relocation costs in the city of Tacoma. On October 2, 2018, the City held a public hearing to receive public testimony on what relocation expenses displaced tenants would reasonably incur in Tacoma.



Since the current Tenant Rights Code will expire on January 31, 2019, staff is recommending this “Rental Housing Code” become effective February 1, 2019. A delayed effective date will also allow adequate time for outreach and training to Tacoma housing providers, tenants and community partners.

In addition, the Hearings Examiner in TMC 1.23 is authorized to hear Tenant Rights Code (TMC 1.95) appeals. For the Examiner to be able to consider appeals under the new Rental Housing Code, TMC 1.23.050.B.40 will need to be amended to change the name from Tenant Rights Code to Rental Housing Code.

**ISSUE:**

The current Tenant Rights Code offers limited protection to tenants. The Tacoma rental market is changing and the current State law does not adequately support this change. As a result, the City has a need for more proactive approaches to prevent increases in the homeless population. A new comprehensive Rental Housing Code will offer better protections for tenants, and provide specific guidance to landlords.

**ALTERNATIVES:**

If Council does not pass the new Rental Housing Code, tenants in Tacoma will be left without protection at the local level and will have to rely solely on State law, which has no enforcement.

**RECOMMENDATION:**

The Office of Equity and Human Rights recommends the proposed Rental Housing Code, and related amendment to the Hearing Examiner Code, be approved by City Council.

**FISCAL IMPACT:**

Staff recommends **using existing capacity in staff** from the City’s Employment standards group to support this program along with the Landlord Tenant Coordinator. The Employment Standards program is budgeted through 2019. Staff recommends evaluating this program for continued funding during the mid-biennium budget adjustment. The 2019-2020 Proposed Budget includes \$200,000 for relocation assistance support.



**Attachment A  
Local Rental Information**

**Average Rents**

<b>The average rent for an apartment in Tacoma is \$1,216.*</b>	
○ To rent a Studio will cost	\$1,017
○ To rent a 1 Bed will cost	\$1,099
○ To rent a 2 Bedroom will cost	\$1,286
○ To rent a 3 Bedroom will cost	\$1,551

\* According to RENTCafe', October 2018.

**Deposits**

Two large Property Management Companies in Tacoma said the following about move-in costs in Tacoma One said the average deposit charged to tenants is the following:

○ For a house, it is the equivalent of the monthly rental rate.
○ A studio average deposit is \$350.00
○ One bedroom, the range is from \$350 to \$400;
○ For a two bedroom, \$400 to \$450; and
○ Three bedroom \$500.

The other Property Management Company said their deposits are approximately \$100 less than the rent amount.

**TPU Residential Deposits**

Deposits are required for power and water services. The fees are due 30 days from the start of service. The fees are as follows:

Residential homes	\$200
Apartment buildings	\$200
Apartment buildings with five or more units	\$100
Water deposits	\$75

TPU charges a non-refundable connection fee for establishing new service. The amount of this fee varies based on the utility services requested.



**Truck Rental fees (from U-Haul)**

Studio/One Bedroom Apt.	\$19.95 per day plus \$1.09 per mile
One to two bedroom Apt.	\$29.95 per day plus \$1.09 per mile
Two to Three bedroom Apt/Home	\$39.95 per day plus \$1.09 per mile
Three to Four bedroom Apt/Home	\$39.95 per day plus \$1.09 per mile

If you combine the **average costs** for a studio and/or a one bedroom this is what the totals might be:

- Average Studio Apartment move in costs: (rent \$1,017), first & last, \$2,034, deposit, \$350, utilities \$100, truck rental \$58. **Total average costs equal \$2,542.**
- Average One bedroom Apartment move in costs: (rent \$1,099), first & last, \$2,198, deposit \$400, utilities \$200, truck rental \$68. **Total average costs equal \$2,866.**

\*Truck rental fees are based on daily fee plus 35 miles at 1.09 per mile. (the distance could be more).