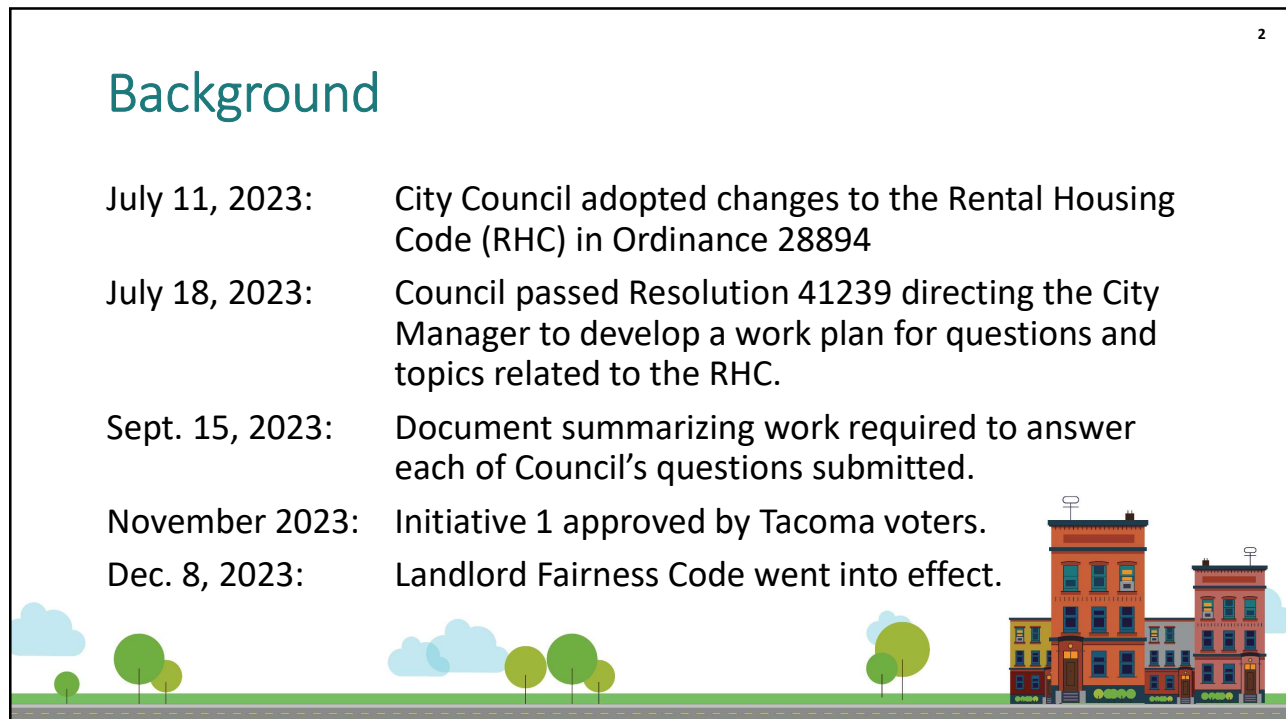




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## Considerations

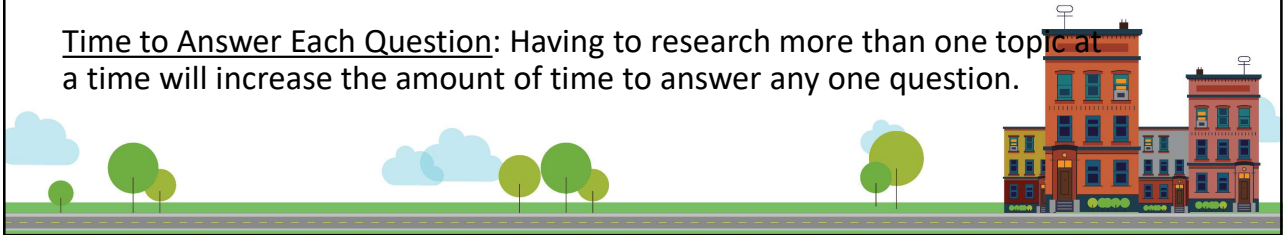
3

Landlord Fairness Code: Several research questions relate to components now codified in the Landlord Fairness Code (TMC 1.100).

Recent Changes: There have been two updates to the rental market in Tacoma in the last six months. More changes in the near future may just introduce more uncertainty to the rental housing market.

Staff Workload: Staff have begun, and will continue, outreach work to communicate RHC changes and new LFC already in place.

Time to Answer Each Question: Having to research more than one topic at a time will increase the amount of time to answer any one question.



3

## Research Questions

4

***Recommendation is to focus on the questions that are now part of the Landlord Fairness Code (TMC 1.100)***

1. *Pet Fees, Rent, and Deposits (in LFC)*
2. Income Criteria for Landlord-Tenant Programs
3. Landlord Demographics
4. Tenant Demographics
5. *Move In Fees and Deposits (in LFC)*
6. Income to Rent Ratio
7. Rental Scams
8. Digital Legal Notices and Tenant Information Packet
9. Regulating Out-of-State Landlords
10. **Winter Weather Eviction Ban**
11. **School Year Eviction Ban**
12. Incentivize Local property owners to develop and/or rent out units within the City of Tacoma
13. **Economic Displacement Relocation Assistance**
14. Business License Annual Reporting



4

## 1. Pet Fees, Rent, and Deposits

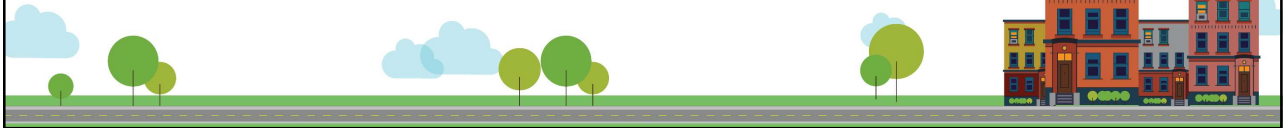
**Research Question:** Consider policies to increase access to pet ownership for renters. Review how other municipalities regulate pet fees and deposits, and these regulations' impacts on allowing pets in rental units and pet ownership among renters. Review local landscape to understand the range of pet charges currently used within the City of Tacoma, and potential costs passed on to renters.

**Policy Pathway:** Return to CVS

**Work Outline:** Review other WA cities' policies, survey of Tacoma lease agreements

**Estimated Time to Complete:** Three months

**Now in Landlord Fairness Code:** A pet damage deposit exceeding 25% of one month's rent or where the landlord may retain any part of the pet deposit exceeding the actual costs of repairing the pet damage



5

## 5. Move In Fees and Deposits

**Research Question:** Review industry norms for move in fees, including a comprehensive list of all types of fees landlords regularly charge renters in the City of Tacoma. Provide an overview of legal limitations placed on landlords related to move-in fees and deposits. Share information on the impact of fees and deposits on the rental housing market and housing affordability, and how landlords mitigate the risk of renting to tenants more likely to miss a rent payment.

**Policy Pathway:** Return to CVS, maybe State or Federal legislative agenda

**Work Outline:**

- Tacoma scan of existing fees
- Review other WA cities' policies and national scan of available research to compare dollar range of fees
- Legal to review fees and options available within Tacoma context

**Estimated Time to Complete:** Four months

**Now in Landlord Fairness Code:** Move-in fees that in total exceed the first month's rent. If a tenant pays a portion of rent and the remainder is covered by a subsidy, "first month's rent" includes both the tenant's payment and subsidy.



6

## 10. Winter Weather Eviction Ban

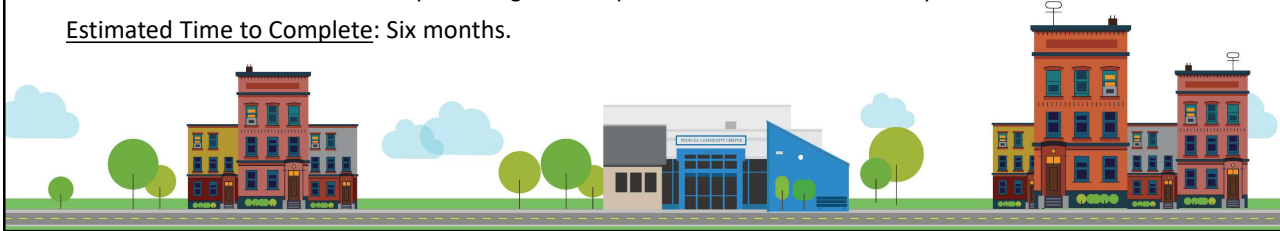
**Research Question:** Examine policy options for adding a winter weather eviction defense to Tacoma's Rental Housing Code, including a deep dive into other winter weather eviction moratoriums in Washington and nationally, consideration of pros/cons of potential exemptions to a winter weather eviction defense, and potential impacts to housing supply in the City of Tacoma should a winter eviction ban be implemented.

**Policy Pathway:** Return to CVS, maybe State or Federal legislative agenda, maybe a Pilot Project

**Work Outline:**

- CM Diaz and her staff already worked to adopt the Seattle ban to Tacoma code
- Legal review of WA court case
- Further research would require a nationwide scan of other similar bans to understand impact
- Outreach would be necessary following research phase to understand community sentiment

**Estimated Time to Complete:** Six months.



## 11. School Year Eviction Ban

**Research Question:** Examine policy options for adding a school year eviction defense to Tacoma's Rental Housing Code. Collect demographic data on renters in Tacoma to understand how broadly this eviction defense would apply. Include an analysis of current school year eviction bans nationwide, consideration of pros/cons of potential exemptions to a school year eviction defense, and potential impacts to housing supply in the City of Tacoma should a school year eviction ban be implemented.

**Policy Pathway:** Return to CVS, maybe State or Federal legislative agenda, maybe a Pilot Project

**Work Outline:**

- Policy scan of similar bans in Seattle and nationwide to understand impact
- Legal analysis of what could and could not be adopted in Tacoma
- Outreach would be necessary following research phase to understand community sentiment

**Estimated Time to Complete:** Six months



## 13. Economic Displacement Relocation Assistance

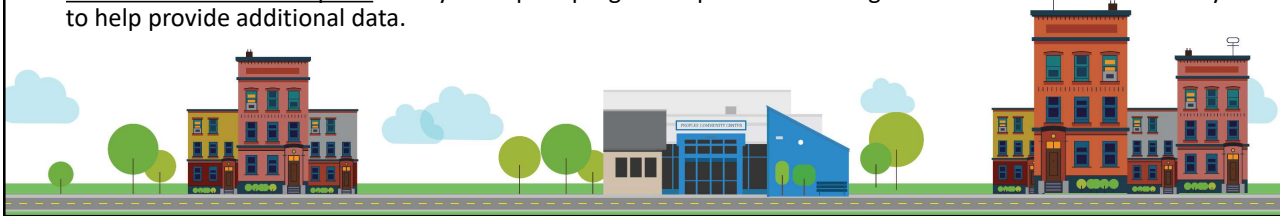
**Research Question:** Review options for implementing an economic displacement relocation program for low-income tenants, including what proportion of the assistance the City and landlord would pay, how much assistance is required, how a tenant applies, and other questions required for implementation.

**Policy Pathway:** Full Council, Pilot Project

**Work Outline:**

- Review draft code language that was developed by CM Daniels and her staff and compare it to other similar programs across the country. Identifying other programs outside of Washington would require a national landscape analysis.
- After completing this analysis, staff could revisit Tacoma specific conditions, such as rent increases over time compared to income growth, to assess if any additional changes to the policy recommendation were needed
- Outreach would be required to understand community sentiment

**Estimated Time to Complete:** One year. A pilot program implemented alongside additional research is likely to help provide additional data.



# Affordable Housing

Rental Housing Code Research

December 14, 2023



## Additional Questions to Discuss if CVS Committee Desires



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## 2. Income Criteria for Landlord-Tenant Programs

Research Question: Research options for defining “low-income” under the rental housing code and how to manage a tenant’s eligibility for certain programs if their income changes during a lease period.

Policy Pathway: Return to CVS, maybe State or Federal legislative agenda

Work Outline: Use the current Rental Housing Code, TMC 1.95 definition, survey other City definitions, other municipalities, and match to Tacoma census data to understand how many residents can be considered low-income

Estimated Time to Complete: Three months



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### 3. Landlord Demographics

Research Question: Review available data on landlord demographics and determine if more data is needed, and how it can be collected and updated.

Policy Pathway: Return to CVS, maybe State or Federal legislative agenda

Work Outline: Survey of landlords and property managers

Estimated Time to Complete: Four months

13

### 4. Tenant Demographics

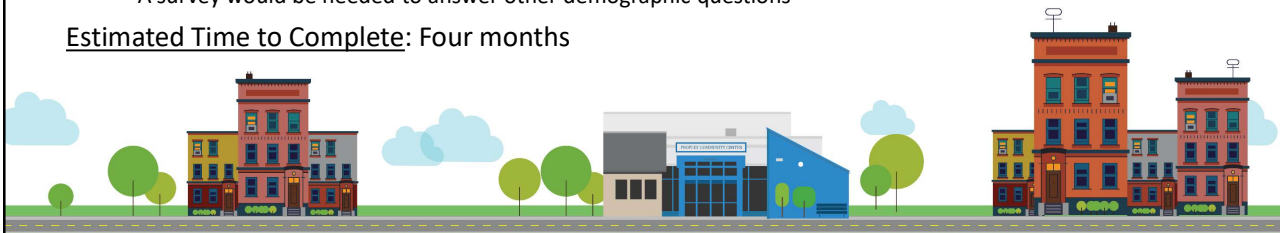
Research Question: Review available data on tenant demographics and determine if more data is needed, and how it can be collected and updated.

Policy Pathway: Return to CVS, maybe State or Federal legislative agenda

Work Outline:

- Some data exists from Spring 2023 survey
- Census data can be broken into tenant and homeowner demographics for race, education level, and income brackets
- The Tacoma Housing Authority provides demographic information about their residents, which while not reflective of Tacoma tenants as a whole, does indicate demographic trends of who in Tacoma is most likely to be a low-income tenant.
- A survey would be needed to answer other demographic questions

Estimated Time to Complete: Four months



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## 6. Income to Rent Ratio

Research Question: Review data to understand how landlords are using income to rent ratios to determine a tenant's financial eligibility for a rental unit and whether the income to rent ratio is a factor driving displacement in Tacoma.

Policy Pathway: Return to CVS, maybe State or Federal legislative agenda

Work Outline: Previous research provided to Council in Spring/Summer of 2023. Additional surveying could be done after landlords adjust to new RHC changes.

Estimated Time to Complete: Four months



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## 7. Rental Scams

Research Question: Research options for penalizing individuals who falsely list and attempt to rent properties where they are not the property owner and determine if these penalties can and/or could be used to fund financial crimes enforcement.

Policy Pathway: Return to CVS, State or Federal legislative agenda

Work Outline:

- OEHR and TPD could investigate how to identify individuals who are improperly offering to rent dwelling units they do not own or manage. A key component would be to determine the amount of resources needed to identify these individuals and prosecute them.
- Legal would research local and State laws regarding this type of improper advertising and illegal renting.

Estimated Time to Complete: Four months



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## 8. Digital Legal Notices and Tenant Information Packet

**Research Question:** Review existing law and practices and explore new options for possible inclusion in future legislative agendas. Currently under RCW 59.12.040 and TMC 1.95, legal notices and tenant information packets must be provided in writing.

**Policy Pathway:** Return to CVS, State or Federal legislative agenda

**Work Outline:**

- Per State law, legal notices must be provided in paper form. Any change Council would like to adopt would be contingent on changes to State law and may take multiple legislative sessions
- Outreach with the RHC stakeholder advisory group on the pros and cons of digital tenant information packets was previously done and could be presented to CVS when requested

**Estimated Time to Complete:** Four months for digital tenant packet, any State level legal changes could take multiple legislative sessions



## 9. Regulating Out-of-State Landlords

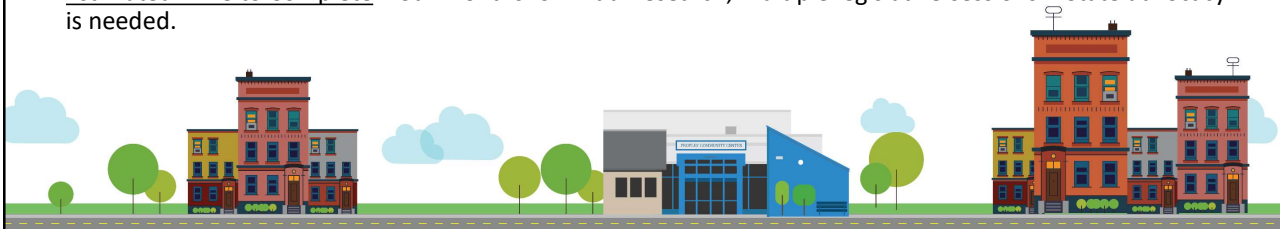
**Research Question:** Review data to understand the impact of out-of-state property owners renting units inside the City of Tacoma. Understand the legal constraints the City of Tacoma faces to regulate out-of-state/ out-of-city property owners who rent units inside the City of Tacoma.

**Policy Pathway:** Return to CVS, State or Federal legislative agenda

**Work Outline:**

- Legal and OEHR staff could do a review of the RCW, TMC, and constitutional limitations to determine any legal issues of regulating out-of-area landlords.
- Determining the impact of non-local property owners would best be done by conducting policy research of other work done nationwide and writing a policy brief for Council.

**Estimated Time to Complete:** Four months for initial research, multiple legislative sessions if State advocacy is needed.



## 12. Incentivize Local property owners to develop and/or rent out units within the City of Tacoma

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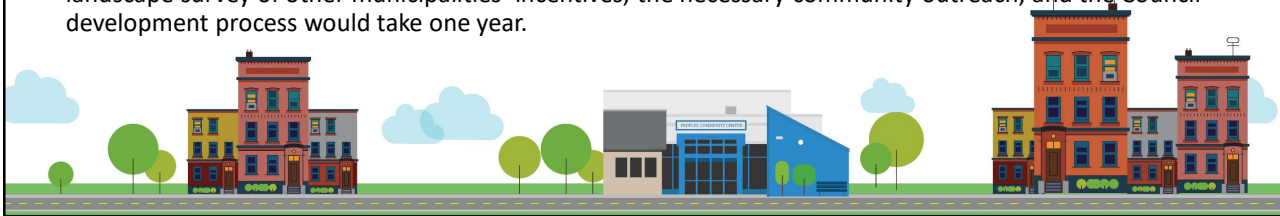
**Research Question:** Review data to understand if local property owners developing and/or maintaining rental units within their community adds additional benefits to the community. Examine how the City can incentivize local community members to develop their properties or maintain existing units as rental units.

**Policy Pathway:** Return to CVS, State or Federal legislative agenda

**Work Outline:**

- Review existing research on impacts of local ownership
- Review of existing City incentives other WA cities' incentives
- Legal analysis of other cities' codes and how they could be implemented in Tacoma
- Community outreach to determine value of incentives

**Estimated Time to Complete:** Initial research on impacts of local ownership would take two months. The landscape survey of other municipalities' incentives, the necessary community outreach, and the Council development process would take one year.



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## 14. Business License Annual Reporting

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**Research Question:** The annual business license application/renewal form currently asks many questions of the property owner, such as amount of rent, number of units, and property type, however the data is not entered into a database and cannot be reported out. Tax & Licensing is currently working with IT to build a module in SAP that will store the data and be able to report out based on various needs, develop an online application to capture questions, and create an autofill function for the data to move from the online application to SAP.

**Policy Pathway:** CVS, GPFC, Full Council

**Work Outline:** Per input received from T&L, Police, PDS, OEHR, Council, and the Office of Strategy the data that will be collected include:

- Parcel Number
- Property type – commercial, single family, duplex etc.
- Number of units (multi only)
- Number of bedrooms (single family only)
- Unit type (studio, one bedroom, etc.)
- Rent range per unit type (13 one bedrooms with a range of rent \$1,000-\$1200) – currently ask for rent per rental property
- Property management info or local agent (name and contact info)
- Certify that dwelling complies with RCW 59.18.060

**Estimated Time to Complete:** Development of the new SAP module is planned to begin 2024, data will begin to be collected for new applicants in mid-2024 and in January 2025 for existing license holders. Data will be available for initial review in Spring 2025.

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Short Term							21
Potential Policy Areas	Policy Pathway Options					Projected Time to Complete Each Project*	
	CVS	Full Council	State Agenda	Federal Agenda	Pilot Project		
1. Pet Fees, Rent and Deposits (in LFC)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 months	
2. Income Criteria for Landlord-Tenant Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3 months	

Mid Term						
Potential Policy Areas	Policy Pathway Options					Projected Time to Complete Each Project*
	CVS	Full Council	State Agenda	Federal Agenda	Pilot Project	
3. Landlord Demographics	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
4. Tenant Demographics	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
5. Move in Fee and Deposit (in LFC)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
6. Income to Rent Ratio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
7. Rental Scams research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
8. Digital Legal Notices and Tenant Information	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	4 months
9. Regulating out of State landlords research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 months
10. Winter Eviction Ban	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6 months
11. School Year Eviction Ban	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 months

Long Term						
Potential Policy Areas	Policy Pathway Options					Projected Time to Complete Each Project*
	CVS	Full Council	State Agenda	Federal Agenda	Pilot Project	
12. Incentivize and promote local ownership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14 months (in progress)
13. Economic Displacement Relocation Assistance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12 months
14. Business License Annual Reporting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	18 months (in progress)