



TO: Elizabeth Pauli, City Manager
FROM: Lisa Woods, Director, Office of Equity and Human Rights (OEHR)
COPY: Community Vitality and Safety Committee (CVS); Jacques Colon, Executive Liaison; D'Angelo Baker, Staff Liaison; Ted Richardson, Strategic Initiatives Coordinator, Office of Strategy; Bucoda Warren, Chief Policy Analyst to the Mayor, City Manager's Office
PRESENTER: ChiQuata Elder, Landlord-Tenant Program Specialist, OEHR
SUBJECT: Proposed changes to Tacoma Municipal Code 1.95, Tacoma Rental Housing Code
DATE: May 25, 2023

PRESENTATION TYPE:
Informational Briefing

SUMMARY:

This briefing describes proposed updates to the Rental Housing Code (RHC), Tacoma Municipal Code (TMC) Chapter 1.95 which went into effect on February 1, 2019. The proposed changes build on the Just Cause Evictions (JCE) standards passed by Council in September 2021 to both protect Tacoma tenants and improve outreach to landlords.

City staff, in partnership with the RHC Stakeholder Advisory Group, a multi-organization group consisting of landlords, nonprofits, tenant advocates, and relevant City offices, have been working since Summer of 2022 on five proposed changes to the RHC. Concurrently, Tacoma For All, a local tenant's rights group, plans to submit ten proposed changes to the Tacoma voters in November via a ballot initiative. This presentation will present the similarities and differences between the two groups' proposed changes.

The original five proposed changes by the City and RHC Stakeholder Advisory Group relate to notice of rent increases, late fee standards, standardized screening criteria, shared housing standards, and not allowing eviction filing without a rental business license.

Tacoma For All's proposed changes are summarized as:

- Require landlords to comply with tenant protection laws before raising rent or evicting a tenant
- Prohibit unfair or excessive fees
- Relocation assistance when significant rent increases require tenants to relocate
- Prohibit certain winter and school year evictions
- Increased penalties and enforcement mechanisms to ensure landlord compliance with RHC

BACKGROUND:

On October 27, 2022, staff presented the original five proposed changes to CVS. After getting additional Council feedback on the proposed changes, staff conducted a community survey that garnered 1270 responses from landlords, tenants, and property managers and hosted a series of informational events that approximately 200 people attended.

Since that outreach began, Tacoma for All began collecting signatures for a ballot initiative that proposes a new section to the municipal code that would address topics aligned with the Rental Housing Code. Recognizing this as an opportunity to find common ground and further expand tenant protections, Mayor Woodards, Deputy Mayor Walker, CVS Chair Ushka, and Council Member Hines (the sponsors) recently



started conversations with Tacoma For All organizers to find areas of agreement and seek compromise where there is disagreement.

SUMMARY OF UPDATES:

The chart below details where the two sets of proposed changes overlap and where they diverge.

Policy	City RHC Proposed Changes	Tacoma Landlord Fairness Code Changes
Notice of Rent Increase (included in petition with relocation)	<ul style="list-style-type: none"> • Implement notice tiers based upon the percent of rent increase, for example: <ul style="list-style-type: none"> • 60-day written notice for 6% or less increase • 90-day written notice for an increase over 6% and up to 10%, • 120-day written notice for an increase of more than 10%. • Require that the written notice be served in accordance with RCW 59.12.040. • Not allow the landlord to charge for the rent increase notice to be served. 	Two notices required to raise rent: <ul style="list-style-type: none"> • first between 210 and 180 days • second between 120 and 90 days
Shared Housing Standards	<ul style="list-style-type: none"> • Require that the master lease holder provide contact information for the sublet tenants and the property owner at time of tenancy. • Require separate leases when renting to four or more tenants. • Require lease to state the legal number of occupants and habitable spaces in the unit (TMC prohibits the renting of attics, basements, and/or garages that have not been properly permitted). • Require the property owner to serve any notices that can lead to eviction to the master lease holder and appropriate number of notices for all sublet tenants. • Require master lease holder to serve any notices that can lead to eviction by property owner to all sublet tenants. • Prohibit property owner with a master lease agreement from starting the Unlawful Detainer Action (eviction) if they cannot show notices were served to all sublet tenants. 	



Standardized Screening Criteria	<ul style="list-style-type: none"> • Set a standard income to rent requirement as 3x monthly rent for those under HUD household AMI rate, and 2.5x if above. • Prohibits landlord from having a blanket ban on a tenant with felony convictions, and arrest records. • Requires landlords to do individual assessments of proposed tenants' criminal history to determine eligibility based on the severity and how long ago the offense occurred. • Prohibit the landlord from requiring a SSN as the only way a tenant can apply for housing. 	
Late Fee Standards	<ul style="list-style-type: none"> • Require the landlord to actively take steps to recover late fees during tenancy, such as serving monthly or quarterly notices or invoices. • Prohibit landlords who do not address late fees during tenancy from withholding them from deposit or reporting them to prospective landlords at end of tenancy. • Limit the amount of late fee the landlord can charge to \$75 max per month. 	<ul style="list-style-type: none"> • Prohibits any fee or charge for late payment of rent exceeding \$10.00 per month
No Evictions w/o a Business License	<p>Landlords cannot pursue evictions if:</p> <ul style="list-style-type: none"> • the landlord does not have a City annual business license • dwelling unit fails to comply with RCW 59.18.060, and presents conditions that endanger or impair health and safety of tenants 	
Require landlords to comply with tenant protection laws before raising rent or evicting a tenant		<p>Cannot raise rent if landlord is determined to be in violation of laws related to health and safety, according to the procedures detailed in TMC 2.01.050 OR the dwelling unit has defective conditions making the dwelling unit uninhabitable per RCW 59.18.060</p>
Prohibit unfair or excessive fees		<p>Prohibits:</p> <ul style="list-style-type: none"> • rental application fees not complying with RCW 59.18.257



		<ul style="list-style-type: none"> • any non-refundable fee charged at the beginning of the tenancy • pet damage deposit exceeding 25% of one month's rent • move-in fees that in total exceed the first month's rent • any fee or charge for late payment of rent exceeding \$10.00 per month • any rental agreement shall be deemed void to the extent it requires payment of fees prohibited by this section
<p>Require landlords to pay relocation assistance when significant rent increases require tenants to relocate (and notice of increase, included above)</p>		<p>Relocation assistance owed to tenant:</p> <ul style="list-style-type: none"> • 5% rent increase = 2 mo. relocation • 7.5-10% rent increase = 2.5 mo. relocation • Over 10% or more rent increase = 3 mo. relocation
<p>Prohibit certain student/school-year evictions, cold-weather evictions, and evictions based upon a tenant's status as service member, first responder, senior, family member, health care provider, or educator;</p>		<ul style="list-style-type: none"> • Prohibit evictions during school year, between November 1 to April 1, or based on the tenant's status as a service member, first responder, senior, family member, health care provider, or educator • During the school year in particular, protections against eviction for families with school-aged children.
<p>Provide penalties and other enforcement mechanisms</p>		<ul style="list-style-type: none"> • Tenants can sue for violations and obtain actual damages, costs, reasonable attorney's fees AND obtain \$500 or 5 times the mo. rent per violation. • If fail to pay relocation asst. then penalty is 3x the relocation asst. amount • Tenants' organization can sue on behalf of tenants.



ALTERNATIVES:

- This is an information briefing only. There are no alternatives.

FISCAL IMPACTS:

- This is an information briefing only. There is no fiscal impact.

RECOMMENDATIONS:

- This is an information briefing only. There is no recommendation.