



**TO:** Mayor and City Council  
**FROM:** ChiQuata Elder, Landlord Tenant Program Coordinator; Debra Casparian, Deputy City Attorney; Ted Richardson, AHAS Strategic Initiatives Coordinator; Bucoda Warren, Chief Policy Analyst to the Mayor  
**COPY:** Elizabeth Pauli, City Manager; Bill Fosbre, City Attorney; Doris Sorum, City Clerk  
**SUBJECT:** Rental Housing Code Sponsor Proposal Summary  
**DATE:** June 13, 2023

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**SUMMARY AND PURPOSE:**

This memo summarizes the Rental Housing Code changes proposed by the sponsors. Items that were mentioned in previous documents for future research have been captured by staff and will be worked through the summer with recommendations on possible actions later this year.

**COUNCIL SPONSORS:**

Mayor Victoria Woodards, Deputy Mayor Kristina Walker, and Council Members Catherine Ushka and John Hines

**SUMMARY OF PROPOSED CHANGES:**

Under each policy area that would be impacted by the sponsors proposal, a summary is given on what the policy is intended to do and the changes that will be made to the code.

Notice of Rent Increase

This policy would increase the days of notice required for any rent increases to ensure tenants have time to secure new housing.

- Require a written notice of at least 120 days for any rent increase before it can go into effect.
- Require that a written notice be served in accordance with RCW 59.12.040.
- Prohibit the landlord from charging the tenant for the rent increase notice to be served.
- Provide clarification that state law allows subsidized housing providers may only need to provide 30 days' notice to their tenants.

Shared Housing Standards

This policy will ensure that tenants are living in legal, habitable, and healthy spaces and that the landlord is following all policies under the RLTA when it comes to termination of tenancy. Would also ensure sublease tenants are protected when a master lease holder or property owner fails to provide them notice. "Shared Housing" is when a tenant rents a private room or shared room in a dwelling unit but shares common areas such as a kitchen, gathering spaces, and/or bathroom with other tenants.

- Require that the master lease holder provide contact information for the sublet tenants to the property owner and the property owner information to sublease tenants at time of tenancy.



- Require separate leases by the property owner and leaseholder 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 provide an appropriate number of additional notices to the master lease holder to then provide to each of the sublet tenants.
- Protects property owner with a master lease agreement by allowing them to start the Unlawful Detainer Action (eviction) even if master lease holder fails to comply with the notice requirement to all sublet tenants.
  - Clarify that if sublease tenants are not given adequate notice of eviction, that the landlord may still require sublet tenants to vacate but may protect sublet tenants from receiving an unlawful detainer action judgment if they move.

#### Standardized Screening Criteria

Policy would ensure tenants have the opportunity to secure housing. This policy would particularly help the vulnerable population who is more likely to become homeless if they are not able to secure affordable healthy housing.

- Set a maximum income to rent requirement as 2.5x or 3x monthly rent to gross income based on HUD fair rental rates
  - Examples:
    - Income 2.5 x Rent:
      - Rent \$1000, income must be \$2500 per month
      - Rent \$1500, income must be \$3750 per month
      - Rent \$2000, income must be \$5000 per month
    - Income 3 x Rent:
      - Rent \$1000, income must be \$3000 per month
      - Rent \$1500, income must be \$4500 per month
      - Rent \$2000, income must be \$6000 per month
- Prohibits landlord from having a blanket ban on a tenant with felony or drug 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.
  - Landlords can deny tenancy for criminal history based on a pending charge or conviction of any of the following:
    - Sex Offenses under RCW 9A.44
    - Violent offense under RCW 9.94A.030, against landlord, employees, or other tenants
    - Arson under RCW 9A.48



- Manufacturing, sale, or distribution of controlled substance under RCW 69.50, or Use of Buildings for Unlawful Drugs under RCW 69.53.
- Landlords cannot deny tenancy for criminal history solely based on:
  - An arrest that did not result in conviction, except as provided under subsection b above.
  - Participation in or completion of a diversion or deferral of judgment program.
  - A conviction that has been judicially dismissed, expunged, voided, or invalidated.
  - A conviction for a crime that is no longer illegal in the State of Washington.
  - A conviction or any other determination or adjudication issued through the juvenile justice system.
  - A criminal conviction for misdemeanor offenses for which the dates of sentencing are older than 3 years from the date of the Application, excluding court-mandated prohibitions that are present at the property for which the Applicant has applied; or
  - A criminal conviction for a felony offense for which the dates of sentencing are older than 7 years from the date of the application, excluding court-mandated prohibitions that are present at the property for which the Applicant has applied.
- Prohibit the landlord from requiring a SSN as the only way a tenant can apply for housing.

#### Fee and Deposit Standards

This policy would establish standards on how landlords address compliance with late fees during tenancy and limit the amount and what late fees can be charged on. It also would limit certain move in fees and provide more time for tenants to pay move in costs over a 6-month period, so they do not need to be paid up front.

- Require the landlord to actively take steps to recover late fees during tenancy by serving at a minimum 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 fees to 1.5% of monthly rent, with a maximum limit of \$75/month.
  - Example option 1:
    - Rent \$600 – Fee \$9
    - Rent \$1,200 – Fee \$18
    - Rent \$1,800 – Fee \$23
    - Rent \$2,300 – Fee \$33
    - Rent \$5,000 and up – Fee \$75
- Prohibit late fees assessed on non-rent charges such as installment payments, deposits, or amenities like parking space fees.
- Prohibit any pet damage deposit exceeding 25% of one month's rent, and require this deposit be refundable if unused



- Increase the current deposit installment payments from 3 months to 6 months under existing code for move-in fees (non-refundable fees, security deposit, last month's rent) to allow residents to pay over a longer period.

#### Business License Requirement and Health and Safety Compliance

This policy would ensure anyone operating a rental business in the Tacoma city limits is complying with health and safety codes, and City policies before raising rents or pursuing evictions. It would also allow tenants' rights groups and other agencies to bring complaints to the City's attention that would allow for enforcement. It would also ensure that landlords are given the opportunity to provide input on all policies as the City uses the Rental Business License as an outreach tool.

- Landlords cannot pursue evictions or rent increases if the landlord does not have a City annual business license, or if the dwelling unit fails to comply with RCW 59.18.060, and presents conditions that endanger or impair health and safety of tenants

#### **TIMELINE FOR BALLOT**

If Council would like to place an ordinance on the ballot this November, the following timeline is recommended to ensure all requirements are met and sent to the County Auditor's Office ahead of the August 1 deadline.

- June 27—Council to pass resolution to put a measure on the ballot.
- June 28—Clerk's office to publish notice soliciting members for the for/against committees
- July 7—deadline for interested parties to submit letters of interest for the for/against committees
- July 18—GPFC committee to review for/against committee applications and recommend members for appointment
- July 25—For/Against committee appointed by Council
- August 1--Final submission to County
  - Includes Resolution with ballot title, explanatory statement, and For/Against committee appointments
- August 3—deadline for For/against statements; rebuttals due August 7