



TO: Elizabeth Pauli, City Manager
FROM: Mayor Victoria Woodards; Bucoda Warren, Chief Policy Analyst to the Mayor
COPY: City Council and City Clerk
SUBJECT: Resolution to place Rental Housing Code Amendments on the November ballot as an Alternative to the Citizen's Initiative Measure No. 1.
DATE: July 5, 2023

SUMMARY AND PURPOSE:

A City Council resolution authorizing the County to place an initiative measure amending the Rental Housing Code (RHC), TMC Chapter 1.95, on the November 7, 2023, ballot as an alternative to the Citizen's Initiative, 2023-01, the Landlord Fairness Initiative.

COUNCIL SPONSORS:

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

BACKGROUND:

Ordinance No. 28894 is being considered by the City Council on July 11th for second reading following five years of administering the (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.

Initial work to develop the RHC began in the Spring of 2018; the RHC Stakeholder Advisory Group was also formed at this time. The RHC was formally adopted on November 20 of that year and went into effect on February 1, 2019. Two years later, in March 2021 staff and the RHC Stakeholder Advisory Group began work on updates to the RHC, including Just Cause Eviction (JCE) standards and the current proposed changes. The JCE Standards were adopted on September 21, 2021. After that, work continued to develop the proposed changes that are currently being brought forward for consideration.

Staff returned to CVS on July 28, 2022, and again on October 27, 2022, to discuss these proposed changes. After receiving committee feedback, staff conducted additional Council engagement to explain the proposed changes and began developing the community engagement plan discussed in the following section of this memo.

Since the outreach efforts on current code updates, a community initiative has recently been filed to address items covered by, or that would impact, the Rental Housing Code. 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 the community proposal. Following these meetings, sponsors worked with Rental Housing Code staff to further develop recommended protections were shared with the CVS committee on May 25, and with the full council at Study Session on June 13 and 20.

On July 11, the City Council will consider Ordinance No. 28894 for approval. If approved, Ordinance No. 28894 would strengthen protections for tenants, who are disproportionately lower income and residents of color, and



would provide additional guidance and standards to housing providers and property managers operating in Tacoma.

Tacoma City Charter 2.22 authorizes the City Council to submit a proposed ordinance to the voters for their approval or rejection. This proposed resolution will place Initiative Measure No. 2 on the November ballot as an alternative to the Landlord Fairness Initiative, No. 2023-01. Proposed Initiative Measure No. 2 would, if approved, confirm through repeal and re-enactment of Ordinance No. 28894 those amendments to the "Rental Housing Code" (RHC) approved by the City Council requiring landlords to comply with health and safety laws, have a City license before increasing rent or evicting tenants, and abide by set limits on rent late fees and pet deposits; require 120 day notice to raise rent; add new regulations for shared housing; and standardize screening criteria for tenant income required to qualify for housing and for reviewing tenant's criminal history and identification.

RCW 29A.72.050(4) provides that "For an initiative to the legislature [e.g. City Council] for which the legislature has proposed an alternative, the ballot title... must be displayed on the ballot" in a specific way outlined in state law. See *In re Ballot title Appeal of City of Seattle*, 183 Wn. App. 379, 384-385 (2014) and RCW 29A.36.071(1).

As required by RCW 29A.72.050(4), this resolution will place the City's ordinance as an alternative measure on the ballot as follows:

Measure Nos. 1 and 2 concern Rental Housing code regulations.

Measure No. 1. would require landlords to comply with health and safety laws before raising rent or evicting a tenant; set limits on certain rental fees; require landlords provide two notices to increase rent and offer relocation assistance when the increase is 5% or more; create a defense against certain student/schoolyear evictions, evictions between November 1 and April 1, and evictions against servicemembers, seniors, families and others the protected status under the measure; and provide penalties and enforcement mechanisms.

As an alternative, the Tacoma City Council proposes Measure No. 2, which would repeal and reenact portions of the City's rental housing code and require landlords to comply with health and safety laws; have a City license before increasing rent or evicting tenants; set limits on rent late fees and pet deposits; require 120 day notice to raise rent; add new regulations for shared housing; standardize screening criteria for tenant income required to qualify for housing, for reviewing tenant's criminal history and identification.

Should either of these measures be enacted into law?

Yes

No

2. Regardless of whether you voted yes or no above, if one of these measures is enacted, which one should it be?

Measure No. .1



or

Measure No. 2.

If the majority of voters support enactment of either measure into law and Initiative Measure No. 2 receives the majority of the votes, then City Ordinance No. 28894 will be repealed and reenacted in its entirety by the voters and the City Council – per City Charter section 2.24 – would not be able to amend or repeal the new provisions within two years after their enactment, unless such amendatory or repealing ordinance is submitted to the qualified voters.

If the majority of voters support enactment of either measure into law and the Landlord Fairness Initiative receives the majority of the votes, it will prevail and Initiative Measure No. 2 would fail, meaning that City Ordinance No. 28894 would *not* be repealed, and would remain in effect as a City Council enacted ordinance.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

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.

The proposed changes were developed by City staff in partnership with the RHC Stakeholder Advisory Group, who represent a diverse set of community members, including tenant advocates, landlord representatives, nonprofit housing providers, local government agencies, and relevant City offices.

Upon drafting the initial proposals, staff conducted a community survey, resulting in 1270 responses from tenants, housing providers, and property managers, and hosted five community meetings with approximately 200 total attendees to discuss the proposed changes.

After completing the community outreach, several proposed changes were amended after further consultation with the RHC Stakeholder Advisory Group, City Council, and Tacoma For All organizers by the sponsors.

The underrepresented community members involved in this process are renters, who are disproportionately low-income and have historically been less engaged in City policymaking.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

As stated above, 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 lowest income. Strengthening the RHC 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).

By improving renter protections the City is contributing to protecting renters against being rent burdened to maintain housing and improving the quality of life as more residents are housed. It also helps to 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 proposed changes now and not send anything to the ballot.	Rental protections and guidance and standards for landlord and property managers implemented immediately	If community ballot initiative passes, City would have to rectify differences between the two efforts.
2. Send proposed changes to the ballot without adopting changes now	Create clearer choice and understanding for residents considering a vote in November.	No immediate protections. If the proposed changes fail to be adopted by the voters, there is a risk that they won't be adopted in the near term.
3. Adopt proposed changes now and send same proposed changes to the ballot	Rental protections and guidance and standards for landlord and property managers implemented immediately. And voters would have input on which rental protections they favor.	Voters may be confused as to the effect of voting to approve Measure No. 2.



EVALUATION AND FOLLOW UP:

If this resolution is passed by Council, then the City would advertise for the “For” and “Against” committees and work towards appointing them to draft the appropriate statements for the Voter’s Pamphlet. City staff would also draft the required explanatory statement for the Voter’s Pamphlet and provide all required documents to the County by the August 1, 2023, deadline.

It will be important to revisit the RHC every year, as the market changes and new practices are implemented. Housing providers have proposed that the City conduct an annual survey to understand the effects of the changes over time. The City could conduct this annual survey for housing providers and property managers, as well as for tenants.

SPONSOR RECOMMENDATION:

The Sponsors recommend sending these proposed changes to the ballot in November and adopting the changes now.

FISCAL IMPACT:

Total costs depend on population of each jurisdiction which is fixed based on a proportion of the whole County, and a variable cost that would increase directly due to the presence of additional issues and races on the ballot that would need to be printed and mailed for the voter pamphlet. The voter pamphlet costs are allocated based on number of pages used by each jurisdiction. In November 2022, the cost per page was \$1,974, so a similar cost can be assumed for this year.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 0010 - Non-Departmental	651000		\$2,500
TOTAL			



What Funding is being used to support the expense?

NON-DEPARTMENTAL FUNDS USED FOR REGULAR ELECTION COSTS.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

The possibility of sending an ordinance to the voters was not anticipated during the biennial budgeting process. The funding was not planned or budgeted.

Are there financial costs or other impacts of not implementing the legislation?

YES

If an alternative ordinance is not submitted for the November ballot there may be costs that result from the implementation of the community initiative if passed.

Will the legislation have an ongoing/recurring fiscal impact?

NO

To send the ordinance to the ballot there will be upfront costs, but no direct reoccurring costs of this choice. There may be reoccurring costs that result from the implementation of the ordinance if passed in November.

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

- Rental Housing Code Proposed Changes Summary Memo
- TMC 1.95 draft Ordinance