



TO: Community Vitality and Safety Committee
FROM: Diane Powers, Director, Office of Equity and Human Rights
COPY: City Council and City Clerk
SUBJECT: **Recommended Changes to Rental Housing Code for City Council Consideration**
DATE: September 20, 2018

SUMMARY:

The Tacoma City Council passed Ordinance Number 28508, to increase protections for tenants through September 30, 2018. The ordinance created a 90-day notice period in the event of demolition, substantial rehabilitation, or conversion to another use and established enforcement procedures. The ordinance extended TMC 1.95 “Rental Housing Code” through October 31, 2018.

Since the ordinance was enacted, City staff has developed a more comprehensive Rental Housing Code, which includes a new “Tenant Relocation Assistance” Section. Before this new code goes into effect, adequate notice (including outreach and training) about the new Rental Housing Code should be given to Tacoma housing providers and tenants. In order for this process to be productive, staff is proposing that the new Rental Housing Code becomes effective on February 1, 2019. Staff is also proposing that the current Tenant Rights Code, TMC 1.95, relating to the 90-day notice to vacate be extended until January 31, 2019. (A new provision relating to notices to vacate will then be effective February 1, 2019.)

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:

The City Manager, through City Staff, researched a range of tenant protections and tenant relocation assistance provisions. The research also includes feedback received from a stakeholders’ group, consisting of tenants, landlords, and legal representation of both landlords and tenants which has met formally four times.

ISSUE:

City staff is requesting to extend the current 90-Day Notice to Vacate through January 31, 2019, and the proposed changes to TMC 1.95 “Rental Housing Code” be forwarded to the full City Council for consideration.

ALTERNATIVES:

If CVS rejects the proposed changes to the Rental Housing Code, the current 90-Day Vacate Ordinance will expire on October 31, 2018.

RECOMMENDATION:



Neighborhood and Community Services and the Office of Equity and Human Rights recommend CVS to extend the current 90-Day Notice to Vacate through January 31, 2019, and forward the proposed changes to TMC 1.95 “Rental Housing Code” be forwarded to the full City Council for consideration on October 9, 2018, to become effective February 1, 2019.

FISCAL IMPACT:

OVERVIEW:

The following provides a financial analysis for the pending changes to the Rental Housing Code. This analysis is based on two distinct costs drivers – start-up costs and caseload driven costs.

Start-up costs are expenditures associated with establishing the program and will be expended regardless of how many complaints may ultimately be submitted. These amounts include the assumption that there will be extensive public engagement with both Tacoma’s housing providers and tenants during iterative rounds of regulation and rule making. Also included in the start-up costs are expenses related to education and community outreach, and include developing a web site and web content, as well as printed materials and the development of standard forms.

Caseload driven costs are associated with the number and types of complaints that are filed once the ordinance takes effect. Given limited data available, these costs are difficult to estimate and could fluctuate greatly depending on the number and type of complaints that may be submitted. These include costs related to intake of complaints, triaging complaints, conciliation efforts, communication with landlords and tenants, and on-going education and outreach efforts. Also included in caseload driven costs are expenses related to investigations, deliberation and drafting findings, enforcement efforts and appeals.

ESTIMATED FINANCIAL IMPACT:

The table below shows the estimated fiscal impacts for 2019 - 2020. Note that the table includes low and high ranges based on different assumptions including staffing, level of outreach and education efforts in the first year and caseload driven costs in the second year.

Description	2019 Low	2020 Low		2019 High	2020 High
Management Analyst III	115,500	154,000		176,000	231,000
Administrative Assistant	60,000	60,000		70,000	70,000
Overtime of Existing Staff	5,500	5,500		11,000	11,000
Startup Fees (Computers, Desks etc.)	6,000	0		10,000	0
Investigator Services	55,000	75,000		75,000	125,000
Marketing & Outreach Materials	30,000	10,000		60,000	20,000
Consultants- Translators, Website Developer, Video, etc.	25,000	10,000		45,000	20,000
Other City Departmental Costs- Legal, Hearings Examiner, etc.	20,000	20,000		30,000	40,000
Relocation Assistance	200,000	200,000		200,000	200,000
Total	517,000	534,500		677,000	717,000