

Add to 5.82.020 (definitions):

“Change of use” means the conversion of any rental unit from a residential use to a nonresidential use, or conversion from a long-term rental to a short-term rental, as defined in OMC 18.02.170, which results in the displacement of an existing tenant. An owner displacing a tenant so that the owner can occupy the rental unit as the owner’s primary residence does not constitute a change of use.

“Demolition” means the destruction of any rental unit or the relocation of an existing rental unit or units to another site.

“Displacement” or “displaced” means the demolition, substantial rehabilitation, or change of use requiring an existing tenant or tenants to vacate the rental unit, but does not include the relocation of a tenant from one rental unit to another rental unit with the tenant’s consent or the temporary relocation of a tenant for less than 72 hours.

“Substantial rehabilitation” means extensive structural repair or extensive remodeling that requires a building, electrical, plumbing, or mechanical permit, or is valued at \$6,000 or more per rental unit and that cannot be done with the tenant in occupancy.

5.82.120 Relocation Assistance for tenants of condemned rental units or units determined to be unlawful to occupy.

The purpose of this section is to establish, pursuant to RCW 59.18.085, a relocation assistance program for tenants whose rental units have been condemned or determined unlawful to occupy by the City.

A. A landlord shall pay relocation assistance to the landlord’s tenant pursuant to this section and RCW 59.18.085 when the tenant’s rental unit has been condemned by the City or determined by the City to be unlawful to occupy.

B. Notice. At the time the City notifies a landlord that a rental unit owned or managed by the landlord has been condemned or determined to be unlawful to occupy due to the existence of conditions that violate applicable codes, statutes, ordinances, or regulations, the City will also notify both the landlord and the tenant(s) that the tenant(s) may be entitled to relocation assistance from the landlord under this section and RCW 59.18.085.

B. Advancement of relocation assistance by the City. If the City determines that a tenant(s) is entitled to relocation assistance under this section and RCW 59.18.085, and the landlord has failed to provide the tenant(s) with relocation assistance within seven days of the City notifying the landlord of the condemnation or determination of unlawful to occupy, the City may advance the cost of relocation assistance to the tenant(s). The amount of relocation assistance advanced per rental unit may be no more than \$2,000, or three times the monthly rent, whichever is greater.

C. Reimbursement to the City. The landlord shall reimburse the City the relocation assistance advanced by the City to the tenant(s) within 60 days from the date that the City first advanced said funds.

D. Penalty. If a landlord fails to repay the City for the advanced relocation assistance within 60 days, the City shall, pursuant to RCW 59.18.085(f), assess civil penalties in the amount of \$50 per day for each displaced tenant. In addition, if the City has advanced relocation assistance to a tenant entitled to such assistance under this section or RCW 59.18.085, and if the landlord fails to reimburse the City as required by this section, interest on such amount accrues at the maximum legal rate of interest permitted under RCW 19.52.020, commencing 30 days after the date the City first advanced relocation assistance funds to the displaced tenant(s). The City is also entitled to attorney's fees and costs arising from any legal action taken to recover unpaid relocation assistance, penalties, and interest.

E. Exemptions. A landlord is exempt from payment or reimbursement to the City of relocation assistance if the landlord demonstrates by a preponderance of the evidence within seven days of the City sending notice of the condemnation or determination of unlawful to occupy that the condition(s) causing the dwelling to be condemned or unlawful to occupy was directly caused by:

1. a tenant's or any third party's illegal conduct without the landlord's prior knowledge;
2. a natural disaster, such as an earthquake, tsunami, windstorm, or hurricane; or
3. the acquisition of the property by eminent domain.

5.82.130 Relocation Assistance for Low-Income Tenants Displaced by demolition, substantial rehabilitation, or change of use of rental units

The purpose of this section is to establish, pursuant to RCW 59.18.440, a tenant relocation assistance program for low-income tenants who are displaced when a rental property or rental unit is demolished, substantially rehabilitated, or upon the change of use of such property or rental unit. For purposes of this section, "low income" means total combined income per rental unit is at or below 50 percent of the median income, adjusted for family size, in Thurston County, Washington.

A. A landlord shall pay relocation assistance to a low-income tenant(s) if the tenant(s) is displaced as the result of: demolition, substantial rehabilitation, or change of use of the property or rental unit.

B. Exemptions. This section does not apply (except as otherwise expressly required by state or federal law) to low-income tenants who are displaced due to the following circumstances or from the following housing types:

1. Any rental unit demolished or vacated because of
 - a. a tenant's or any third party's illegal conduct without the landlord's prior knowledge;
 - b. natural disaster, such as an earthquake, tsunami, windstorm, or hurricane; or
 - c. the acquisition of the property by eminent domain.

2. Any rental unit ordered vacated or demolished because of damage within the landlord's control where relocation assistance under OMC 5.82.120 and RCW 59.18.085 applies;

3. An owner-occupied mobile home or manufactured home, both as defined in Chapter 59.20 RCW;

4. A living arrangement exempted under RCW 59.18.040;
5. A transient dwelling as defined in OMC 18.02.180, which includes a short-term rental;
6. An assisted living dwelling defined in OMC 18.02.180.
7. Any rental unit for which relocation assistance is required to be paid to the tenants pursuant to another state, federal, or local law; and
5. A shelter, as defined in OMC 5.82.020(u).
6. A landlord is not required to pay relocation assistance to a tenant who has entered into a rental agreement after receiving written notice from the landlord that specifically describes the activity or condition that may result in the tenant's temporary or permanent displacement and advises the tenant of their ineligibility for relocation assistance.

C. Notice to Tenants. When a tenant is to be displaced due to demolition, substantial rehabilitation, or change of use of the rental property or their rental unit, a landlord may only terminate the tenancy by providing a tenant with written notice at least 120 days before the end of the month or period of tenancy. The notice must include a Tenant Relocation Information packet that informs the tenant of their rights under this chapter, a tenant income verification form, and instructions that tenants must complete and return the form to the City within 30 days from the date that the notice was provided.

D. Notice to City. Within 14 days of providing the tenant with the notice required by subsection C, above, including the Relocation Information Packet, the landlord shall provide the City with a list of names of the tenants listed in the lease agreement and number of rental units for the rental unit(s) subject to demolition, substantial rehabilitation, or change of use.

E. Tenant eligibility for relocation assistance. Low-income tenants who are parties to a rental agreement for the rental unit are eligible for relocation assistance, but only if the tenant to be displaced resides in a rental unit at issue when the landlord delivers the notice required by subsection C, above and only if the tenant completes and provides to the City the tenant income verification form and is determined by the City to meet income eligibility requirements.

F. Tenant income verification.

1. To be eligible for relocation assistance under this section, a tenant must complete and provide to the City, within 30 days from the date that the notice, as required in subsection C, above, was provided, the income verification form. To be complete, the tenant income verification form must include the names of all occupants of the rental unit, the total combined monthly and annual income of the occupants of the rental unit, the total combined income of the occupants for the current calendar year, and must be signed by the tenant. Any tenant who fails to return a completed tenant income verification form to the City within 30 days from the date that the notice required in subsection C, above, was provided is not eligible for relocation assistance unless the tenant has requested and received a written extension from the City.
2. Based on the information contained in the complete tenant income verification form, the City determines which tenants qualify as low-income tenants and are therefore eligible to receive relocation assistance.

3. Any tenant who fails or declines the opportunity to submit the tenant income verification form, who refuses to provide the information in a timely manner as required, or who is found to have intentionally misrepresented any material information regarding income or eligibility to relocation benefits, is not eligible for relocation assistance under this section.

G. Relocation assistance verification. Within 30 days of the City's receipt of the completed tenant income verification forms from all tenants who are parties to a rental agreement in a rental unit, the City will mail to each rental unit household who submitted a complete tenant income verification form and to the landlord, at the address provided under OMC 5.82.070(E), a notice stating whether or not the rental unit household is eligible for relocation assistance.

H. Appeal. Both the tenant and the owner may file an appeal of the City's determination of a tenant's eligibility for relocation assistance by submitting a written appeal notice to the City Manager. The appeal notice must be received by the City Manager within 14 days of City's issuance of the notice of eligibility for relocation assistance. The appeal notice must identify the rental property at issue, the rental unit at issue, the name of the rental property's owner, the name of the tenants who are parties to a rental agreement of the unit at issue and must state with particularity the basis for the appeal. A copy of the notice of eligibility determination for relocation assistance must be provided to the City Manager along with the appeal notice. The City Manager, or designee, shall, within 30 days of receipt of the appeal, review the appeal and shall issue a written decision to uphold, modify, or reverse the City's determination. The City Manager's or designee's decision is the final decision of the City.

I. Relocation assistance payments.

1. Low-income tenants who are displaced, who comply with the requirements of this chapter, and are determined to be eligible by the City, may receive a total relocation assistance payment of \$2,000 for their eligible rental unit. The amount of relocation assistance is adjusted annually on or before January 1 by the percentage amount of change in the housing component of the Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics. The relocation assistance payment is in addition to the refund from the landlord of any deposits or other sums to which the tenant is lawfully qualified to receive.

2. The landlord that is displacing a tenant is responsible for payment of one-half of the total amount of relocation assistance due to eligible tenants pursuant to this chapter and the City is responsible for one-half the relocation assistance due to eligible tenants pursuant to this chapter.

3. Within 10 days after receipt by the owner of the notice of tenant eligibility, the landlord shall pay eligible tenants who will be displaced the landlord's portion of the relocation assistance. A landlord must submit written proof to the City that it provided the eligible tenants with the required payment within five business days of such payment. Upon receipt of the owner's share of relocation assistance costs, the City will send the City's portion of relocation assistance payments to eligible tenants.