

# Olympia Rental Housing Solutions Focus Group: Landlords II

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## Participants:

- **Participant 1:** own duplex by Ralph's, pretty affordable. 100 years old. Casual attitude. Both units came up at same time. Held open house. ¾ of people would've made great tenants. Stories make you feel awful. Last 5 years, raised rent due to property taxes doubling. Tenants pay property tax. Starting to think about selling. Out of town owner will buy/take money out of community, create permanent underclass of renters who will never own. Too expensive to buy now. Don't think it's good for community. More rentals than anywhere in the state, I think I read that.
- **Participant 2:** landlords for 15 years, 10 rentals. Vacant property we are hoping to build on. Adverse to hiring a property manager for various reasons.
- **Participant 3 and 4:** 1 rental. Son (present on call) has a rental. House next to our house. Bought because want to control who lives there, had experiences in past where someone was drug dealer next door. Property tax went up last month. Property tax go up, so rent goes up. Cost of building and fees are high.
- **Participant 5:** 3 duplexes in Oly. One in Tumwater.

## Q1: Do you agree that this is a particularly challenging time to be a renter?

- "Oh god, yes."
- (All agreed)

## Q2: How long do you think renter conditions will remain challenging: weeks, months, years? Why?

- (General agreement that "easing" would not take place until more stock was available)
- (General agreement that rent would continue to rise following increase in property taxes)

## Q3: Do you think a landlord registry makes sense for Olympia? Why or why not?

- If it's voluntary (but it seems duplicative as landlord associations already do this).
- See dollar signs, have to hire staff for that. Cost will get passed on to tenant. Tenant is going to end up suffering.
- Let's just go after crappy landlords, unethical people in this business.
- Becoming harder to operate with all legislation getting passed. Worried about smaller landlords getting pushed out due to legislation.
- Don't mind it. If there was a website or person to go to for resources/information.
  - If it's for information, all for it. If you use it to do inspections, that's a whole different ballgame.
- If you shut down substandard housing, you're creating homelessness. One guy took a kids' playhouse, enclosed in plywood and rented it out. Bottom rungs of available housing. Collects cash from renters every month. Likely not on the books. Trailers behind houses that empty waste on the ground.
  - Person who owns units next to me - he enclosed a gym set for kids and rented it out – but if someone didn't rent that they'd be homeless. He has 60 units on the books, but who knows what other "units" he has - "you think those are on the books?"

**Q4: Are there any solutions you think might actually cause unintended consequences for renters?**

- Have always let people pay deposits over time. But mixed thoughts on limiting deposit amount requirement.
  - The challenge is that over the last couple years, we've have had more problems with damage. Dog did \$5500 of damage to floors. Sometimes it's not worth it to go after people because I know they don't have the money.
- Registration sounds like money, staff.
- If I see documentation that people are on better track, if have something in past, will do.
- Added risk is dollar signs. When a tenant has owed money, usually don't get it.
- Rents are high. I don't mind taking money over time.
- More worried about policies that require or come with more paperwork. As soon as you add "thou shalt" policies and paperwork, I spend my time doing that instead of time with family.
  - If you make policy change, make it clear, keep it simple, have staff for questions.
  - Have to spend hours trying to wade through this paperwork or pay attorney to do it for me. Then costs go up. Have tenants for 3-5 years, so a lot changes over time.

**Q5: Do you think a relocation assistance program would be helpful in Olympia?**

- Hate it. Harder to weather when you're small. Such a systemic problem, city is becoming like a social service provider. Not sure if that's the City's role.
- It's harder to weather when you're a small shop – we are young and still have our properties mortgaged.
- I wonder if some of these things are the City's role.
- Wait until people move out to do remodels.
  - We compensate for inconvenience and work with them to get repairs done.
- Usually see this when someone wants to upgrade and kick people out, raise rents.
- Ask yourself: Which landlords will it enable, and which will it drive out of market?
- Who owns buildings downtown and give tax breaks to them.
- It's really tough for the elderly. On Social Security. We've been looking for a place for my mom and can't find a place.

**Q6: What types of prospective tenant screening solutions do you think might work in Olympia?  
Are there any screening solutions that give you concern, and what or why?**

- I tell people I'm going to screen, but I lie. I meet them. If I like you, I put a dot in the corner. Try to find people that will make this a happy place.
  - Old dog with bad hips, so felt bad and rented out first floor unit.
  - I don't ask about criminal backgrounds. You'll never see that in a new apartment.
- We can't tolerate heavy duty paperwork, or not pay rent for 6 months. Thinking about selling. I don't have capital or expertise to weather it.
- Bigger companies can do more in-depth background checks than smaller ones.
- Not supportive of credit check limits.
- Sometimes talking to person is a good enough check. Let's say they stole a couple candy bars when 15, no big deal. Got out, turned life around, not a big deal. Not black and white.
- Rely on credit check and interview. Previous landlord issues.

- I want someone to take care of my place, keep peace with the neighbors, pay rent. Need to be able to ask enough questions to take care of that.
- Can I screen for number of people and pets? If you make it more complicated, it takes me time to make a decision. That increases cost. What can I ask?
- More restrictions = higher bar for renter.
- Want them to take care of the place and pay rent. So many postings that include really restrictive qualifications—make 4x the rent, 800 credit score.
- Some kind of forgiveness for criminal backgrounds. Larger management companies are more formulaic—no criminal backgrounds. Everyone messes up. Should have redemption. Do need to get away from no criminal convictions. There's racism in that.
- I would hate to not have backgrounds on evictions. Every time I've rented to someone with an eviction, I've had a problem.
- If you have to lay out your criteria, then I'll be less flexible. In this market, you can find someone who does meet criteria. If you set rules that don't let us take chances, we won't.

**Q7: Other solutions:**

**Housing Ombudsperson?**

- (In intros, mention of costs associated with new positions and policies)
- I always point people to NW Justice Project –important to know rights and responsibilities
- I had to go to ombudsman when renter stopped paying and off his roommate, and now I spend hours going through paperwork to figure out this new process to do all this stuff. It adds expense so I can pay someone to do that on my time, or sell my units.

**Required provision of renter rights and information packets?**

- I like providing rights and responsibilities. Don't reinvent the wheel.
- I like them knowing their rights and responsibilities.
- I'd be willing. I heard today about things I didn't know about that I could have provided my tenants. Concerned about anything that requires it because it increases my risk.

**Permanent alternative dispute resolution process?**

- (During intros, concern noted re length of process and inability to resolve cases)

**Low interest loans or grants to landlords for repairs in exchange for rent stability?**

- We just increase rent and keep a maintenance percentage, so we're always socking away for that. There's definitely landlords that don't fix things and don't care and are jerks. Is the problem that landlords are slumlords and horrible people.
- Set aside money. Big companies handing it to their investors—why are we subsidizing them?
- Do it like Home Depot interest free credit card. Pay it off when interest kicks in.
  - Could be helpful. Tree falls/hits window. Most standard repairs I budget for to keep rent low, but in emergency situation, would be good to have access to free credit.

**Q8: Some cities have placed limits or caps on deposits, move-in fees, late fees and even pet fees. Do you believe Olympia should explore any or all of these ideas?**

- (General opposition to requirements – want flexibility so they can protect their interests while also extending opportunities to renters they trust, despite past challenges)

**Q9: What do you think about extending notice period for proposed rent increases? It's currently 60 days. Some cities have extended to 90, 120 or even 180 days with the goal of buying more time for renters who may need to find a more affordable rental alternative.**

- I'm ok with it. I give as much notice as I can. The more notice the better.
- It would be nice to know more in advance when taxes go up.
- We just charge first month's rent and deposit. It's hard for someone to save up \$6,000.
- Between 60-90 is a good number. Property tax is the driver when I raise rent.
- I have two houses I'm going to sell. Tenants have known for a long time, but are freaking out as it's getting close. 6 months feels a little ridiculous, but there has to be a sweet spot.
- Tenant education piece that is missing. Contracts and how they work.
- We've never charged last month. Only once in 15 years it's bitten us.
- Last month is horrible at front end, but if they do it upfront, they can move it to next place.

**Q10: In your opinion, what might be the pros and cons of implementing Just Cause eviction requirements for all tenancies in Olympia?**

- (Not addressed directly, but sentiment is to allow flexibility so small landlords can help risky renters secure housing while reducing risk for landlord investments and payment schedules)

**Q11: Can you think of other solutions that might work to stabilize or support renters in this market?**

- Outlaw application fees. It's evil. I get carpet cleaned every time, my cost of doing business.
- Citywide (common) renter application. I charge for credit/background. I see \$60 fees, more than cost. People spend hundreds applying. Large landlords won't even talk until you apply.
  - I'm intrigued by that idea of a citywide application that can be reused.
- I wish tenants would inform us of needed repairs BEFORE they move out. Saves us both!
- My costs go up because taxes go up.
  - Cool with extended rate hike notification period.
  - But, if you want longer rent increase notification, then let us know sooner when you're going to increase property taxes.
- Fees = \$50K to build a house in Oly. Can City reduce? Need to redo siding/costs are going up.
  - Give people like us no interest loans to build ADUs. Make it easier to build ADUs.
- When we give subsidies to people to build affordable housing, get more actual affordability.
- Vacant dead strip malls. Why haven't they turned those into apartments? Infill.
- Rental assistance.
- Building in Olympia is a mess. Can't develop 3 acres I own. Impact fees and frontage.
- LL registry could be funded by everyone's property tax.
- Would love to see this as a countywide discussion.
- It's really tough for the elderly – my mom lives in Shag surrounded by drug dealers – it's awful – she pays half her social security in rent. We can't find her another place.

- Drives me crazy that Olympia is looking at this, but other cities aren't – should be a countywide discussion
- We are creating a permanent underclass.