

Rent Stabilization Legislation & Existing Rental Housing Code

Council Study Session
July 29, 2025



Agenda

- HB 1217 updates for Residential tenancies
- Possible changes to Olympia's code
- HB 1217 updates for Manufactured Home tenancies
- Impacts on staff's recommended policy proposals

Overview of HB 1217

- Rent increase caps on multi-family rental, single-family rental and manufactured home tenancies
- Rent increase notice extended
- Creates required rent increase form
- Establishes greater rental rate equality between various lease types and lengths
- Creates an online landlord resource center
- Restricts rent increases in the first 12 months of tenancy
- Caps move-in fees/security deposits for manufactured home tenancies
- Caps late fees for manufactured home tenancies



HB 1217 - Rent Increase Caps

Landlords may not increase rent by more than 7% plus the consumer price index up to a maximum of 10% during a 12-month period, except for the following rental units:

- Newer rental units
- Affordable rental units
- Shared housing with property owner, from room rentals up to fourplexes

Expires July 2040

2025 cap: 10%



Comparison with Olympia's code

	Updated State Law	Current Olympia Code	Options	Considerations
Rent increase cap	Rents may not increase more than 7% plus consumer price index up to a maximum of 10% within a 12-month period (some properties exempted)	Tenant can request economic displacement relocation assistance after receiving notice of rent increase that totals 7% or more within a 12-month period	<ol style="list-style-type: none">1. Could keep current economic displacement relocation assistance (EDRA) requirements in place2. Could remove EDRA requirement now that state is capping annual rent increases between 7-10%3. Could keep EDRA for exempted properties and/or for properties that increase rent by more than the allowed threshold	<ol style="list-style-type: none">1. Provides further incentive to not increase rents by more than 7% annually2. Allows exempted properties to increase rent by any amount; more clarity if only state law caps increases3. Provides additional security for tenants of exempted properties that they won't be subject to significant rent increases without resources

Staff recommendation: Option 3



HB 1217 – other details

- Rent increase notice extended from 60 to 90 days
- Creates required rent increase form
- No more than 5% price difference for different lease lengths
- Creates an online landlord resource center
- No rent increases in the first 12 months of tenancy

Comparison with Olympia's code

	Updated State Law	Current Olympia Code	Options	Considerations
Notice of Rent Increases	All rent increases require 90 days' notice	<ul style="list-style-type: none">• Rent increases over 5% require 120 days' notice• Rent increases adding up to 7% or more in 12 months require 120 days' notice• Rent increases of 10% or more require 180 days' notice	<ol style="list-style-type: none">1. Keep current requirements in place2. Remove requirements entirely to defer to state law3. Provide a middle ground, such as requiring 120 days' notice for all rent increases	<ol style="list-style-type: none">1. Need to factor in time to educate community on relationship to state law2. Would provide less time to plan for significant rent increases compared to current requirements; would be clearer because it aligns with state law; no staff time for enforcement3. Streamlines current requirements; Could provide a small amount of additional time to plan for a move, if necessary (particularly for tenants in properties that are exempted from the rent increase cap)

Staff Recommendation: Option 3

Rent Increase Notice timeframes

Jurisdiction	Timeframe for rent increases
Auburn	<ul style="list-style-type: none">• 120 days' written notice for rent increases greater than 5%
Redmond, Kirkland, Kenmore	<ul style="list-style-type: none">• 120 days' written notice for rent increases greater than 3%; or• 180 days' written notice for rent increases greater than 10%.
Bellingham	<ul style="list-style-type: none">• 120 days' notice for rent increases
King County	<ul style="list-style-type: none">• 120 days' notice for rent increases greater than 3%
Olympia	<ul style="list-style-type: none">• 120 days' notice for rent increases over 5% or adding up to 7% or more in a 12-month period• 180 days' notice for rent increases of 10% or more
Tacoma	<ul style="list-style-type: none">• The first notice must be provided between 210 and 180 days before the rent increase is to take effect.• A second reminder notice must be provided between 120 and 90 days before the rent increase is to take effect.
Seattle	<ul style="list-style-type: none">• 180 days' notice for rent increases
Proposed HB 1217 (2024 and 2025)	<ul style="list-style-type: none">• 180 days' notice for rent increases of 3% or more
HB 1217 (as passed)	<ul style="list-style-type: none">• 90 days' notice for rent increases

HB 1217 – Changes to Manufactured Home Tenancies

- Landlords may not increase rent by more than 5% during a 12-month period
- No rent increases in the first 12 months of tenancy
- Creates required rent increase form
- Caps move-in fees/security deposits
- Caps late fees

Manufactured Housing policy proposals

- Enact relocation assistance for rent increases of 7% or more
- Require 6 months' notice for rent increases of 7% or more
- Adopt similar language to Olympia Rental Housing Code regarding required information in rent increase notices
- Require landlords to provide a tenant rights information document when a new lease is signed or renewed
- Assess the option to amend zoning code so that existing manufactured home communities may not be redeveloped to a different use



Next Steps

Direct staff on whether to amend current Rental Housing Code

Direct staff on whether amendments should be referred to a Council committee or brought directly to full Council.

Direct staff on whether to continue exploring additional manufactured home community preservation policy options

Thank you!

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