

Meeting Agenda City Council

City Hall 601 4th Avenue E Olympia, WA 98501

Information: 360.753.8244

Tuesday, November 19, 2019

5:30 PM

Council Chambers

Study Session

1. ROLL CALL

2. BUSINESS ITEM

2.A <u>19-1056</u> Briefing on Renter Protections

<u>Attachments:</u> Tumwater City Council Staff Memo

Proposed Ordinance for Olympia from Tenant Advocates

3. ADJOURNMENT

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City Council

Briefing on Renter Protections

Agenda Date: 11/19/2019 Agenda Item Number: 2.A File Number: 19-1056

Type: study session Version: 1 Status: Study Session

Title

Briefing on Renter Protections

Recommended Action

Committee Recommendation:

Report from staff and discussion of renter protections

City Manager Recommendation:

Discussion only. No action requested.

Report

Issue:

The City Council will receive a briefing from staff on renter protections recently considered at several Olympia City Council committees, renter protections adopted in other cities, and protections that tenant advocates brought to Council.

Sarah Nagy from Columbia Legal Services will attend and be available to respond to questions during the discussion about the Residential Landlord Tenant Act or recent renter protections adopted in other cities.

Staff Contact:

Cary Retlin, Community Planning & Development, Housing Manager, 360.570.3956.

Presenter(s):

Cary Retlin, Community Planning & Development

Background and Analysis:

In May, Tumwater staff approached the cities of Olympia and Lacey, as well as Thurston County proposing a cross-jurisdictional approach to exploring renter protections. Tumwater staff shared a long list of tenant protections that served as the beginning of potential changes that could be considered. That list had been ranked by the Tumwater City Council based on impact and ease of adoption. The Olympia Land Use and Environment Committee reviewed that list in August and made their own rankings with many overlaps.

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Olympia's General Government Committee considered options for different models of tenant relocation assistance programs in September. Tacoma has a relocation program that could serve as a model for one in Olympia. Relocation assistance provides cash assistance to tenants receiving nocause evictions to reduce the burden of moving and paying deposits, last month's rent, and other expenses all at once.

Land Use 'Green List'

In October, the Land Use and Environment Committee reviewed and revised a list of the Tumwater protections and ranked them based on what appears most ready for consideration for adoption. Many of those items have been adopted in other cities. Some of those items include:

- Prohibiting online bidding
- Requiring information on rights be provided to tenants
- Prohibitions of specific retaliation*
- Require extended notification timelines (from 60 to 90)
- Requiring notification of days prior to rent increase (from 60 to 90)
- Requiring that move in costs can be paid over time*
- Source of income discrimination update in Olympia Municipal Code 5.80
- Adoption of state Residential Landlord Tenant Act into Olympia Municipal Code

Proposed Ordinance for Olympia from Tenant Advocates

In October Washington Community Action Network and local tenants rallied outside city hall and spoke to Council about renter protections. They also proposed renter protections for Olympia that include:

- Limits to security deposits and other fees
- Requiring that deposits and last month's rent can be paid over specific installments
- Limits pet deposits to 25 percent of rent, allows them to be paid in three installments
- Creates penalties for landlords that do not comply with the new code
- Prohibits specific retaliation against tenants

Renter Protections in Other Cities

Bellingham, Vancouver, Tacoma, Federal Way, Seattle and Burien have all approved various renter protections beyond the state's Residential Landlord Tenant Act (RCW 59.18). Here is an overview of some protections in those jurisdictions:

Burien passed a series of renter housing policies in October

Those policies were enacted in Ordinance 716. They included:

- Just Cause Eviction: creating a list of reasons for eviction with a court order.
- Requirements that landlords distribute specific information including rental criteria, relevant law information, and fair housing information.
- Allows deposits fees and last months' rent to be paid in installments.
- Requires that an owner notify the city of a sale of rental units (five or more below 80 percent of median income).
- Created a housing ombuds to investigate disputes, educate tenants and landlords, and assist

^{*}These items also appear in the proposed ordinance for Olympia from tenant advocates.

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in conflict resolution.

- Burien will also launch an education campaign to educate landlords and tenants and produce materials in multiple languages.
- The Council also approved a rental housing inspection program to be managed by a rental housing program coordinator.

Seattle passed a series of renter protections

Seattle has added many renter protections over the last 20 years. Some protections include:

- Income screening must include all sources of income, including Section 8 or other public assistance.
- Landlords are required to accept a pledge from a subsidy program to pay for a tenant's past due or current housing costs.
- Prohibitions on preferred employer programs that offer incentives or different terms to applicants who work for a specific employer.
- Protections for renters with arrest records, conviction records, or criminal history.

Neighborhood/Community Interests (if known):

Thurston Regional Planning Council estimates that 53 percent of Olympia households are renters.

Options:

N/A - discussion and direction to staff on next steps

Financial Impact:

None at this time. Community meetings on the topic would require staff time. Program elements of renter protections, like relocation assistance, is not currently budgeted in 2020. Staff will discuss that with Finance Committee.

Attachments:

Tumwater City Council Staff Memo
Proposed Ordinance for Olympia from Tenant Advocates



City Hall 555 Israel Road SW Tumwater, WA 98501-6515 Phone: 360-754-5855

Fax: 360-754-4138

Memorandum

Date: May 14, 2019

To: Jacob Ewing, Ryan Andrews, and Rick Walk, City of Lacey

Cary Retlin, Schelli Slaughter, Leonard Bauer, and Keith Stahley, City

of Olympia

Keylee Marineau, Thurston County

From: Brad Medrud, Planning Manager

Subject: Potential Measures for Addressing Tenant Protection Issues -

UPDATED May 14, 2019

Issue

After the Tumwater City Council adopted Resolution No. R2018-016 in the summer of 2018, the City of Tumwater has undertaken a number of actions to address homelessness, increase affordable housing, and continue to work with other jurisdictions and agencies to explore regional solutions to these issues.

This memorandum discusses potential actions that could be taken on a regional or City-by-City basis to address tenant protection issues.

The Tumwater City Council discussed the memorandum at a worksession on March 26, 2019 and moved one potential action from the yellow to green category.

Objective

A City of Tumwater work group discussed potential ways to address the following action item from Resolution No. R2018-016:

GOAL: Boost Housing Affordability

Action #9 - Enact policies to protect tenants experiencing housing instability, which may include:

- a. Review current eviction/renter protection policies, laws, and legal services and assess possible actions.
- b. Assess need for/knowledge of landlord-tenant conflict resolution services.
- c. Support renter resources (mediation, etc.).

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Potential Options for Addressing Tenant Protections Issues May 14, 2019 Page 2

The City work group, which included Councilmember Michael Althauser, City Administrator John Doan, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Housing Consultant Paul Knox, and Planning Manager Brad Medrud, explored a range of potential measures to address this action item, so that the Tumwater City Council could make an informed decision on which measures to pursue.

Background

The City of Tumwater work group met on December 18, 2018, January 17, 2019, February 19, 2019, and March 12, 2019 to review the City's current tenant protections found in TMC Chapter 5.70 *Unfair Housing Practices* as well as the state's requirements and what other jurisdictions are doing to address this action item. The work group discussed the potential measures in the tables below and evaluated what further steps would be needed to develop and determine their viability.

The two tables outlined the potential measures the Tumwater City Council could consider to address the action item above. The first table summarizes the measures that could be considered in amendments to the Tumwater Municipal Code and the second table goes over measures that could be addressed through education and communication efforts led by the City. Each of the measures was given a color that indicates whether the work group thought that it should be discussed with the Tumwater City Council now (green), after other issues are resolved (yellow), or after all other measures have been considered (red).

The City of Tumwater work group suggests that there should be conversations with tenant, housing advocates, such as the city of Tacoma and Homes First and property owners, landlords, and real estate management companies, to review and provide comment on the measures considered. The list or measures would also be sent to housing staff at Thurston County and the Cities of Lacey and Olympia to get their thoughts. Some of the measures would potentially involve registration of property owners providing rental units to gather information on number of units and a contact for education and updates on City programs.

Updates

This memorandum was updated on April 8, 2019 to address additional upfront costs to tenants and to changed immigration status to citizenship status.

This memorandum was updated on May 14, 2019 to address:

• The Governor's signature on ESHB 1138 "Concerning the armed forces exceptions for giving notice of termination of a tenancy" on April 17, 2019, which will become effective on July 28, 2019.

Potential Options for Addressing Tenant Protections Issues May 14, 2019 Page $3\,$

- The Governor's signature on ESHB 1440 "Providing longer notice of rent increases" on April 23, 2019, which will become effective on July 28, 2019.
- The Governor's signature on ESSB 5600 "Concerning residential tenant protections" on May 9, 2019, which will become effective on July 28, 2019.
- The delivery to the Governor of HB 1462 "Providing notice of plans to demolish, substantially rehabilitate, or change use of residential premises" on April 26, 2019. The Governor has not signed the bill as of May14, 2019.

Commented [BM1]: Updated May 14, 2019

<u>Table 1a: Measures Considered for Amendments to Tumwater Municipal Code – Green</u>

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
1	Prohibit use of online bidding platforms	 Easy policy decision Best if cross jurisdictional 	 Is this addressing an issue in the City? Potentially difficult to enforce 	Would need communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations"	"Rental housing bidding platform" or "platform" means a person that connects potential tenants and landlords via an application based or online platform to facilitate rental housing auctions wherein potential tenants submit competing bids on certain lease provisions including but not limited to housing costs and lease term, to landlords for approval or denial. Merely publishing a rental housing advertisement does not make a person a rental housing bidding platform. XX.XX.XXX Use of online or application based rental housing bidding services prohibited. Landlords and potential tenants are prohibited from using rental housing bidding platforms for real property located in city limits.	Green
2	Require landlords to distribute certain housing related information, including rights and responsibilities to tenants	 Easy policy decision Best if cross jurisdictional 	Potentially difficult to communicate or enforce	 May need to require landlord registration Would need to develop set of standard required info Better landlord and tenant education Would need communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" May address the new notice that is a part of ESSB 5600 	 XX.XX.XX Distribution of information required. A. Distribution of resources by landlord. 1. At the time a prospective tenant applies to reside in a dwelling unit, the landlord shall provide the prospective tenant with the landlord's written rental criteria and, once created by the City, with a City informational website address designated by the City for the purpose of providing information about the property and its landlord. 2. In the event a prospective tenant cannot reasonably access the internet and at their request, a landlord shall provide the prospective tenant a paper copy of the property and landlord information that can be found on the website identified above. B. Distribution of information packets by landlord 1. The Director shall prepare and update as necessary, summaries of this chapter, the (TMC), state RLTA (RCW 59.18), Forcible Entry and Forcible and Unlawful Detainer (RCW 59.12), and Fair Housing laws, describing the respective rights, obligations, and remedies of landlords and tenants, including information about legal resources available to tenants. 2. A landlord shall provide a copy of the summaries prepared by the Director to any tenant or prospective tenant when a rental agreement is offered, whether or not the agreement is for a new or renewal agreement. 3. Where there is an oral rental agreement, the landlord shall give the tenant copies of the summaries described herein, either before entering into the oral rental agreement or as soon as reasonably possible after entering into the oral rental agreement. 4. For existing tenants within 30 days after the summaries are made available by the City, landlords shall distribute current copies of the summaries to existing tenants. 5. The initial distribution of information to tenants must be in written form and landlords shall obtain the tenant's signature documenting tenant's receipt of such information. After the initial distribution of the summaries to	Green

Commented [BM2]: Updated May 14, 2019

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
3	Require that deposits, as well as recurring and one time fees be in written agreements	 Required in Residential Landlord-Tenant Act (RLTA) (RCW 59.18) for leases one year and longer Standard leases already include these Best if cross jurisdictional Could include in as part of Measure #2 	 How would this be enforced? How would this address month-to-month leases and leases of less than a year? Not clear if necessary 	 Would need communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" 	"Security deposit" means a refundable payment or deposit of money, however designated, the primary function of which is to secure performance of a rental agreement or any part of a rental agreement. "Security deposit" does not include a fee. XX.XX.XXX Deposit requirements and installment payments permitted. A. Installment payments, generally. Upon a tenant's written request, tenants may pay security deposits, non-refundable move-in and administrative fees, and/or last month's rent in installments as provided herein; except that the tenant cannot elect to pay the security deposit and non-refundable move-in and administrative fees in installments if (1) the total amount of the security deposit and non-refundable move-in and administrative fees does not exceed 25 percent of the first full month's rent for the tenant's dwelling unit; and (2) payment of last month's rent is not required at the inception of the tenancy. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments. Installment payments are due at the same time as rent is due. All installment schedules must be in writing, signed by both parties. B. Fixed-term tenancies for three months or longer. For any rental agreement term that establishes a tenancy for three months or longer, the tenant may elect to pay the security deposit, non-refundable move-in and administrative fees, and last month's rent, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in three consecutive, equal monthly installments that begin at the inception of the tenancy. C. Month-to-month or two-month tenancy. For any rental agreement term that establishes a tenancy from month-to-month or two months, the tenant may elect to pay the security deposit, non-refundable move-in and administrative fees, and last month's rent, excluding any payment made by a tenant to the landlord prior to the	Green

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
4	Make landlord failure to comply a renter defense to eviction and the landlord subject to liability and penalties	 Would be tied to other municipal code measures Best if cross jurisdictional 	 Only applicable to municipal ordinances Would likely be applicable only if a court case is filed 	 If City provides education packet and requires information Tied to 120-day Would need communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" Civil penalties would likely be available a deterrent 	XXXXXXX Compliance and enforcement. A. Compliance. 1. Any rental agreement or renewal of a rental agreement in a residential unit in the City entered into after, 2019, shall include, or is deemed to include, a provision requiring the provisions outlined in this chapter. 2. A landlord is prohibited from engaging in reprisals or retaliatory actions pursuant to RCW 59.18.240 and 59.18.250, as they exist or are hereinafter amended, including reprisals or retaliatory actions against a tenant's good faith and their lawful rights to organize. 3. Pursuant to provisions of the state RLTA (Chapter 59.18 RCW), landlords may not evict residential tenants without a court order, which can be issued by a court only after the tenant has an opportunity in a show cause hearing to contest the eviction (RCW 59.18.380). a. In addition to any other legal defense a tenant may have, it is an additional affirmative defense to an unlawful detainer action that a landlord failed to give a 120-day or 60-day "no cause" notice to a monthly or periodic tenant as provided in TMC with service conforming with RCW 59.12.040, prior to the end of such month or period, unless a different for cause notice period is specifically authorized by law. b. Any rental agreement provision which waives or purports to waive any right, benefit or entitlement created by this section shall be deemed void and of no lawful force or effect. 4. Joint and Several Responsibility and Liability. Responsibility for violations subject to enforcement under this chapter is joint and several, and the City is not prohibited from taking action against a person where other persons may also be potentially responsible persons, nor is the City required to take action against all potentially responsible persons.	Green

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
				 Is this needed if policies are set? Would need communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" Civil penalties would likely be available a deterrent 	XX.XXX Compliance and enforcement. A. Compliance.	
					1. Any rental agreement or renewal of a rental agreement in a residential unit in the City entered into after, 2019, shall include, or is deemed to include, a provision requiring the provisions outlined in this chapter.	
	Prohibit waiving of city requirements	• Same waiver protections for municipal			2. A landlord is prohibited from engaging in reprisals or retaliatory actions pursuant to RCW 59.18.240 and 59.18.250, as they exist or are hereinafter amended, including reprisals or retaliatory actions against a tenant's good faith and their lawful rights to organize.	
5		requirements as Residential Landlord-	• Court case		3. Pursuant to provisions of the state RLTA (Chapter 59.18 RCW), landlords may not evict residential tenants without a court order, which can be issued by a court only after the tenant has an opportunity in a show cause hearing to contest the eviction (RCW 59.18.380).	Green
		Tenant Act (RLTA) (RCW 59.18) Best if cross jurisdictional	(RLTA) (RCW 59.18) Best if cross		a. In addition to any other legal defense a tenant may have, it is an additional affirmative defense to an unlawful detainer action that a landlord failed to give a 120-day or 60-day "no cause" notice to a monthly or periodic tenant as provided in TMC, with service conforming with RCW 59.12.040, prior to the end of such month or period, unless a different for cause notice period is specifically authorized by law.	
					b. Any rental agreement provision which waives or purports to waive any right, benefit or entitlement created by this section shall be deemed void and of no lawful force or effect.	
					4. Joint and Several Responsibility and Liability. Responsibility for violations subject to enforcement under this chapter is joint and several, and the City is not prohibited from taking action against a person where other persons may also be potentially responsible persons, nor is the City required to take action against all potentially responsible persons.	

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
					XX.XXX Compliance and enforcement. A. Compliance.	
					1. Any rental agreement or renewal of a rental agreement in a residential unit in the City entered into after, 2019, shall include, or is deemed to include, a provision requiring the provisions outlined in this chapter.	
	Prohibit retaliation	• Protects those who seek to pursue their		Would need communications strategy	2. A landlord is prohibited from engaging in reprisals or retaliatory actions pursuant to RCW 59.18.240 and 59.18.250, as they exist or are hereinafter amended, including reprisals or retaliatory actions against a tenant's good faith and their lawful rights to organize.	
6		legal rights for municipal law as Residential Landlord-Tenant Act (RLTA) (RCW 59.18) • Best if cross jurisdictional	municipal law as Residential Landlord- Tenant Act (RLTA) (RCW 59.18) Potentially difficult to communicate or enforce	 Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" Civil penalties would likely be available a deterrent 	3. Pursuant to provisions of the state RLTA (Chapter 59.18 RCW), landlords may not evict residential tenants without a court order, which can be issued by a court only after the tenant has an opportunity in a show cause hearing to contest the eviction (RCW 59.18.380).	Green
					a. In addition to any other legal defense a tenant may have, it is an additional affirmative defense to an unlawful detainer action that a landlord failed to give a 120-day or 60-day "no cause" notice to a monthly or periodic tenant as provided in TMC, with service conforming with RCW 59.12.040, prior to the end of such month or period, unless a different for cause notice period is specifically authorized by law.	
					b. Any rental agreement provision which waives or purports to waive any right, benefit or entitlement created by this section shall be deemed void and of no lawful force or effect.	
					4. Joint and Several Responsibility and Liability. Responsibility for violations subject to enforcement under this chapter is joint and several, and the City is not prohibited from taking action against a person where other persons may also be potentially responsible persons, nor is the City required to take action against all potentially responsible persons.	

Potential Options for Addressing Tenant Protections Issues May 14, 2019 Page 9

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
7	Require notification a set number of days prior to eviction due or a notice of rental increase over a particular cap and of no- cause eviction	 Seattle not challenged on their timeline requirements Could set policy for all rent increases Makes the most impact Best if cross jurisdictional 	 How would this address month-to-month leases and leases of less than a year? May incentivize regular percentage increases under threshold Potentially difficult to communicate or enforce 	 Study further What would be the best amount of time? 60 or 90 days may be most useful When would be the best situations? Tacoma and Seattle have this Related to the no cause eviction Would need major communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" May address the new "Fourteen-Day Notice to Pay Rent or Vacate the Premises" that is a part of ESSB 5600 May address the new requirements for a 120-day notice requirement in RCW 59.18.200 added by HB 1462 May address the new requirements for a 60-day notice for increase in rent in RCW 59.18.140 added by ESHB 1440 	XXXXXXX Notice to vacate requirements. A. The notice requirements provided in this subsection apply when premises are rented with monthly or other periodic tenancy and apply before the expiration of a fixed-term lease, unless the lease automatically converts to a month-to-month or periodic tenancy at the end of its expiration. B. Requirement for notice to tenant when tenant displaced. When a tenant is to be displaced by a landlord plans to demolish or substantially rehabilities premises or plans a change of use of premises, a landlord may only terminate the tenancy by providing a tenant with written notice of at least 120 days preceding the end of the month or period of tenancy. For any notice provided under this subsection, the landlord shall also serve at the same time the Tenant Relocation Information Packet. C. Requirement for notice to tenant for no cause termination. Unless provided otherwise under federal or state law applicable to low-income or affordable housing programs or under subsection B above, a landlord may only terminate a tenancy for no cause by providing the tenant written notice of at least 60 days preceding the end of the month or period of tenancy. Notices that are exempt from this subsection include, but are not limited to, three-day notice to pay or vacate, three-day notice for waste or nuisance, or ten-day notice to comply with the terms of the rental agreement or vacate. D. Notice requirements, generally. 1. Notices provided in this section shall comply with RCW 59.12.040, as it exists and as hereinafter amended. 2. The notice shall list the name of the tenant and the dwelling unit number. 3. Proof of any service under this section must be made by the affidavit or declaration of the person providing the notice. When a copy of the notice is sent through the mail as provided in this section, service shall be deemed complete when such copy is deposited in through the mail as provided in this section, service shall be deemed complete when such copy is deposited in the United States	Green

Commented [BM3]: No change, but now a 60-day requirement added by ESHB 1440, Sec.1. RCW 59.18.140 May 14, 2019.

Note 30-day notice requirement for subsided tenancy in ESHB 1440, Sec.1. RCW 59.18.140.

Commented [BM5]: Added from HB 1462, Sec. 1. RCW 59.18.200(2)(c)(i) May 14, 2019

Commented [BM6]: No change, but now a requirement added by ESHB 1440, Sec. 1. RCW 59.18.140 May 14, 2019.

Note 30-day notice requirement for subsided tenancy in ESHB 1440, Sec.1. RCW 59.18.140.

Commented [BM4]: Updated May 14, 2019

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
8	Require notification a set number of days prior to any rent increase	 Makes the most impact Best if cross jurisdictional 	Potentially difficult to communicate or enforce	 90 days would best Would need major communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" 	XX.XXXX Notice to increase rent requirements. A landlord is required to provide a minimum of 60 days prior written notice whenever the periodic or monthly housing costs to be charged a tenant will increase by any amount over the periodic or monthly rental rate charged the same tenant for the same housing unit, unless the fixed lease agreement includes agreed-upon rent increases during the term of the tenancy or agreement.	Green
9	Require a landlord to allow a tenant to pay the deposit and move in and administrative fees over a period of up to a number of months and allow tenants the ability to pay security and last month rent over a period of three months after moving in in lieu of upfront so there is less initial barrier to entry	 Would help address the economic issues Very helpful for low or moderate income renters Address month to month costs Best if cross jurisdictional 	 Has this been challenged? Potentially difficult to communicate or enforce 	 Tied to term of lease Payment period could be over three to four months Would need major communications strategy Could be addressed as a potential code amendment as part of a new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" 	XX.XX.XX Deposit requirements and installment payments permitted. A. Installment payments, generally. Upon a tenant's written request, tenants may pay security deposits, non-refundable move-in and administrative fees, and/or last month's rent in installments as provided herein; except that the tenant cannot elect to pay the security deposit and non-refundable move-in and administrative fees does not exceed 25 percent of the first full month's rent for the tenant's dwelling unit; and (2) payment of last month's rent is not required at the inception of the tenancy. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments. Installment payments are due at the same time as rent is due. All installment schedules must be in writing, signed by both parties. B. Fixed-term tenancies for three months or longer. For any rental agreement term that establishes a tenancy for three months or longer, the tenant may elect to pay the security deposit, non-refundable move-in and administrative fees, and last month's rent, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in three consecutive, equal monthly installments that begin at the inception of the tenancy. C. Month-to-month or two-month tenancy. For any rental agreement term that establishes a tenancy from month-to-month or two months, the tenant may elect to pay the security deposit, non-refundable move-in and administrative fees, and last month's rent, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in two equal installments. The first payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in two equal installments. The first payment is due at the inception	Green

l	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Potential Examples of Code Language to Address	Go or No Go
10	Add source of income protections in housing rental code	 Easy policy change Best if cross jurisdictional 	Potentially difficult to communicate or enforce	 Source of income protected under state law (RCW 59.18.255) "Fair chance housing" Would need communications strategy Proposed code amendments to TMC 5.70 "Unfair Housing Practices" and as part of new "Rental Housing Code" chapter in Title 5 "Business Taxes, Licenses and Regulations" 	Q. "Source of income" includes benefits or subsidy programs including housing assistance, public assistance, emergency rental assistance, veterans benefits, social security, supplemental security income or other retirement programs, other programs administered by any federal, state, local, or nonprofit entity, and wages, interest, dividends, or other remunerations. "Source of income" does not include income derived in an illegal manner. In Chapter 5.70 TMC, substitute "source of income" for the current phrase "use of federal housing assistance"	Green
11	Add citizenship status protections in housing rental code	 Easy policy change Best if cross jurisdictional 	 Potentially difficult to communicate or enforce Potential conflict with federal law 	 Source of income protected under state law, but not citizenship status "Fair chance housing" 	Would need communications strategy	Green

Potential Options for Addressing Tenant Protections Issues May 14, 2019 Page 12

<u>Table 1b: Measures Considered for Amendments to Tumwater Municipal Code – Yellow</u>

None.

<u>Table 1c: Measures Considered for Amendments to Tumwater Municipal Code</u> – Red

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Go or No Go
12	Limit fees a landlord could charge	 Would help address economic issues Best if cross jurisdictional 	 Regulating actual business decisions Potentially difficult to communicate or enforce How would fees be justified? Needs further research 	 Possible limits on nonrefundable fees Security deposit would not be more than one month's rent Would need major communications strategy No action will be taken on this option for now 	Red
13	First-in-time tenancy required	 First qualified applicant accepted Best if cross jurisdictional 	 Current City of Seattle litigation Difficult to communicate and enforce May not address economic issues Would need source of income 	 Can the City purchase a database of owners of rental property? Would need major communications strategy No action will be taken on this option until City of Seattle litigation is resolved 	Red
14	Add criminal conviction status protections in housing rental code	Best if cross jurisdictional	Potentially difficult to communicate or enforce	 Source of income protected under state law, but not criminal conviction status "Fair chance housing" Seattle includes criminal conviction status Would need major communications strategy No action will be taken on this option 	Red
15	Require landlords to show good cause to terminate a month-to-month tenancy and to refuse to renew a fixed term tenancy	Best if cross jurisdictional	 Often tenants appreciate month to month flexibility Potentially difficult to communicate or enforce Takings analysis required 	 Add this to notice requirements discussion elsewhere in this table Would need major communications strategy Is this legal? No action will be taken on this option 	Red

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Go or No Go
16	Tenant relocation assistance fund	 Addresses economic relocation Not for cause 	 Would need more study to determine criteria and funding Current City of Portland litigation 	 Could be property owner funded Some programs go through a municipality, while other directly to a tenant Would need major communications strategy No action will be taken on this option 	Red
17	Provide relocation payment for any low- income tenant displaced by the reasons in Measure #7	Best if cross jurisdictional	 Potentially difficult to communicate or enforce Could be a disincentive to property fixes or improvements Would need an income standard 	 Long term Would need major communications strategy No action will be taken on this option 	Red

<u>Table 2: Measures Considered for Education and Communication</u>

	Measures	Potential Positives	Potential Negatives	Notes or Needed City Resources	Go or No Go
1	Create a list of landlords for communication regarding notices and enforcement	A list will be needed to make existing and proposed regulations effective	Potentially difficult to generate	 List would include name, contact information, number of units, and location of units Would need communications strategy 	Green
2	Contract with Dispute Resolution Center for tenant and landlord conflict resolution services	Easy service to test for use	 No clear incentives for sides to engage once in conflict Landlord has upper hand in power dynamic Cost of Dispute Resolution Center services 	 City would pay full or subsidized cost up to a particular amount Prices range on length of interaction Would need communications strategy 	Green

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, RELATING TO RESIDENTIAL RENTAL PROPERTIES, ADDING A NEW CHAPTER TO TITLE 5 OF THE OLYMPIA MUNICIPAL CODE, TO BE DESIGNATED AS CHAPTER 5.82, ENTITLED "RENTAL AGREEMENT REGULATIONS".

- WHEREAS, housing affordability and homelessness are a growing problem in Thurston County and the City of Olympia is committed to reducing human suffering for vulnerable populations of our citizens; and
- WHEREAS, average rents in Olympia have increased significantly while vacancies in rental housing are low, making it increasingly difficult for tenants, especially people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, to obtain rental housing; and
- WHEREAS, rent increases may cause a tenant to move due to inability to pay the increased rent; and
- WHEREAS, these conditions in the rental market have created a barrier to relocation, because tenants, especially people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, may be unable to save money to pay security deposits, non-refundable move-in fees, and last month's rent; and
- WHEREAS, before moving into a rental unit, landlords typically require that tenants pay some type of security deposit to ensure that the tenant will comply with certain provisions of the rental agreement, such as payment for damage to the dwelling unit or cleaning the unit when the tenant vacates the unit; and
- WHEREAS, before moving into a rental unit, landlords sometimes also require payment of non-refundable fees such as fees for tenant screening reports, pets, or cleaning; and
- WHEREAS, before moving into a rental unit, landlords typically require that tenants prepay the last month's rent; and
- WHEREAS, payment of security deposits, nonrefundable move-in fees, and last month's rent in advance of tenancy, especially for people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities, and veterans, is one of the barriers to obtaining housing; and
- WHEREAS, limiting the amount a landlord can charge for a security deposit and non-refundable move-in fees will help reduce this barrier and allow people to prepare for moving expenses with more certainty; and
- WHEREAS, allowing tenants to pay security deposits, non-refundable move-in fees, and last month's rent in installments will help reduce this barrier; and

WHEREAS, in the City of Olympia all people, including people with limited finances who are disproportionately people of color, seniors, women, families, LGBTQ, people with disabilities and veterans, are respected and valued and vital to our shared prosperity; and

WHEREAS, the City Council finds that this ordinance will protect and promote the health, safety, and welfare of the general public;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. <u>Amendment of OMC 5.00.000</u>. Olympia Municipal Code 5.00.000 is hereby amended to read as follows:

5.00.000 Title Contents

Title 5 BUSINESS TAXES, LICENSES AND REGULATIONS

Chapters:

- **5.02** Business Licenses
- **<u>5.04</u>** Business and Occupations Tax
- **5.05** Administrative Provisions for Certain Taxes
- **5.10** Occupational Permits
- **<u>5.11</u>** Transportation Network Companies
- **5.15** Cable Communications Franchises
- **5.16** Adult Oriented Businesses
- **5.17 Community Events**
- **5.18** Farmers Market
- **5.20** Gambling Activities
- 5.24 Garage Sales
- 5.48 Occult Arts
- 5.50 Pet Shops
- 5.52 Locksmiths
- **5.55** Security Alarm Businesses
- **5.60** Secondhand Dealers
- 5.64 Solicitors
- 5.68 For-Hire Vehicles
- **5.72** Towing Services
- **5.76** Miscellaneous Businesses
- **5.80** Unfair Housing Practices
- 5.82 Rental Agreement Regulations
- **<u>5.84</u>** Utility Services Tax
- 5.86 Multi-Family Dwelling Tax Exemptions

Section 2. New chapter. There is hereby added a new Chapter to Title 5 of the Olympia Municipal Code, to be designated as chapter 5.82 entitled, "Rental Agreement Regulations" which shall read as follows:

Chapter 5.82 RENTAL AGREEMENT REGULATIONS

5.80.000 Chapter Contents

Sections:

5.82.010	Definitions.
5.82.020	Security deposits and nonrefundable move-in fees
5.82.030	Fee payments in installments.
5.82.040	Payment of last month's rent in installments.
5.82.050	Payment of pet deposits in installments.
5.82.060	Remedies for tenants.
5.82.070	Retaliation.

5.82.010 Definitions

<u>Definitions</u> as used in this chapter, unless additional meaning clearly appears from the context, shall have the meanings ascribed herein:

- A. "Landlord" means the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sublessor including, but not limited to, an agent, a resident manager, or a designated property manager.
- B. <u>"Last month's rent" means money that is paid as rent for the last month of a residential tenancy and that is paid at the inception of the tenancy or in installments as authorized by Section 5.82.040.</u>
- C. "Month-to-month tenancy" means a residential tenancy of an indefinite period with monthly or other periodic rent reserved.
- D. "Non-refundable move-in fees" means non-refundable fees paid by a tenant to reimburse a landlord for the cost of obtaining a tenant screening report, criminal background check, or credit report or to pay for cleaning of the dwelling unit upon termination of the tenancy, but does not include payment of a reservation fee authorized by RCW 59.18.253(2).
- <u>E.</u> "Person" means any individual, firm, corporation, association, governmental entity, or partnership and its agents or assigns.
- F. "Pet deposit" means money that is paid by the tenant to the landlord at any time as security to pay for damage to the landlord's property that is caused by a pet for which the tenant is responsible.
- G. "Security deposit" means any payment, fee, charge, or deposit of money paid to the landlord by the tenant at the beginning of the tenancy as a deposit and security for performance of the tenant's obligations in a written rental agreement, but does not include payment of a reservation fee authorized by RCW 59.18.253(2) or a payment to assure the payment of rent. Security deposits include payments, charges, or deposits for the purpose of:
- 1. Repairing damage to the premises, exclusive of ordinary wear and tear, caused by the tenant, or by a quest or licensee of the tenant.
- 2. Compensating the landlord for the tenant's breach of the tenant's duties prescribed in the rental agreement to restore, replace, or return personal property or appurtenances.
- 3. Compensating the landlord for the tenant's failure to return keys to the premises, except that a landlord shall not retain any portion of the deposit for keys for lock mechanisms that must be changed upon a change of tenancy.

5.82.020 Security deposits and nonrefundable move-in fees

- A. The total amount of a security deposit and nonrefundable move-in fees may not exceed the amount of the first full month's rent for the tenant's dwelling unit. If rent is not paid or otherwise apportioned on a monthly basis, then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the cost of a security deposit and nonrefundable move-in fees may not exceed the pro-rated, monthly rental amount.
- B. Other than non-refundable move-in fees, security deposits, pet deposits, and last month's rent, landlords are prohibited from charging tenants any one-time fee at the beginning of the tenancy.
- C. If the tenant has paid a non-refundable move-in fee for cleaning, the landlord may not deduct additional cleaning fees from the tenant's security deposit.

5.82.030 Fee payments in installments.

- A. Tenants may pay security deposits and non-refundable move-in fees in installments as provided below. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay in installments.
- B. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in six consecutive, equal monthly installments that begin at the inception of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.
- C. For any rental agreement term that establishes a tenancy between 30 days and six months, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in no more than four equal amounts that begin at the inception of the tenancy and are paid in installments of equal duration or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.
- D. For any rental agreement term that establishes a tenancy from month to month, the tenant may elect to pay the security deposit and non-refundable move-in fees, excluding any payment made by a tenant to the landlord prior to the inception of tenancy to reimburse the landlord for the cost of obtaining a tenant screening report, in two equal installments. The first payment is due at the inception of the tenancy and the second payment is due on the first day of the second month or period of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule shall be described in the rental agreement.
- E. The tenant cannot elect to pay the security deposit and non-refundable move-in fees in installments if (a) the total amount of the security deposit and nonrefundable move-in fees does not exceed 25 percent of the first full month's rent for the tenant's dwelling unit; and (b) payment of last month's rent is not required at the inception of the tenancy.
- F. Non-refundable move-in fees are prohibited unless authorized by and identified in a written rental agreement that describes the terms and conditions of the payment schedule for the non-refundable move-in fees pursuant to this section.

5.82.040 Payment of last month's rent in installments

- A. For any rental agreement term that establishes a tenancy for six months or longer, the tenant may elect to pay the last month's rent in six consecutive, equal monthly installments that begin at the inception of the tenancy or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.
- B. For any rental agreement term that establishes a tenancy between 60 days and six months, the tenant may elect to pay the last month's rent in no more than four equal amounts that begin at the inception of the tenancy and are paid in installments of equal duration or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.
- C. Landlords may not impose any fee, charge any interest, or otherwise impose a cost on a tenant because a tenant elects to pay the last month's rent in installments.
- <u>D.</u> Any payment of last month's rent by the tenant to the landlord shall be authorized by a written rental agreement that:
 - 1. Identifies the amount of the last month's rent; and
- 2. Describes the terms and conditions of the payment schedule for the last month's rent if the tenant elects to pay the last month's rent in installments as authorized by this section.

5.82.050 Payment of pet deposit in installments

- A. Except as provided in subsection (B), the landlord may require payment of a pet damage deposit provided that the total amount of the pet damage deposit may not exceed 25 percent of the first full month's rent, regardless of the time when the pet damage deposit is paid. If rent is not paid or otherwise apportioned on a monthly basis then for the sole purpose of applying this limit the total rent shall be pro-rated on an equal, monthly basis and the total charge to a tenant for the pet damage deposit may not exceed 25 percent of the pro-rated, monthly rental amount.
- B. The landlord may not require a pet damage deposit if the pet serves as an assistance animal for the tenant. This prohibition does not prohibit a landlord from bringing an action for damages resulting from damage to the landlord's property caused by the tenant's assistance animal.
- C. If the pet's occupancy begins at the beginning of tenancy, the amount of the pet damage deposit shall be specified in a rental agreement. If the pet's occupancy begins after the beginning of the tenancy, the amount of the pet damage deposit shall be specified in an addendum to the rental agreement. The tenant may elect to pay the pet damage deposit in three consecutive, equal monthly installments that begin when the pet first occupies the rental unit or, the tenant may propose an alternative installment schedule. If the landlord agrees to the tenant's alternative installment schedule the schedule shall be described in the rental agreement.
- D. The landlord cannot keep any portion of the pet damage deposit for damage that was not caused by pets for which the tenant is responsible.
- E. Other than the pet damage deposit authorized by this section, the landlord may not charge the tenant any fee for keeping a pet.
- F. Any payment of a pet damage deposit shall be authorized by a written rental agreement, or an addendum to the written rental agreement, that:
 - 1. <u>Identifies the amount of the pet damage deposit; and</u>
 - 2. <u>Describes the terms and conditions of the payment schedule for the pet damage deposit if the</u> tenant elects to pay the pet damage deposit in installments as authorized by this section.

5.82.060 Remedies for tenants.

- A. If a landlord fails to comply with the requirements of Chapter 5.82 and such failure was not caused by the tenant, the tenant may terminate the rental agreement by written notice pursuant to law.
- B. If a landlord fails to comply with the requirements of Chapter 5.82, the tenant may recover in a civil action from the landlord actual damages, attorney fees, and a penalty of up to \$1,000. If a court determines that the landlord deliberately failed to comply with the requirements of Chapter 5.82, the penalty is four and a half times the monthly rent of the unit.

5.82.070 Retaliation

- A. It is a violation of this Chapter 5.82 for any person to retaliate against a tenant or prospective tenant because the tenant or prospective tenant exercised or attempted to exercise rights conferred by this Chapter 5.82. Retaliation means any of the following actions:
 - 1. Refusing to provide, accept, or approve a rental application or a rental agreement.
- 2. Applying more onerous terms, conditions, or privileges, including increased rent, to a tenant or prospective tenant who exercises his or her rights under this Chapter 7.24 than to a tenant or prospective tenant who does not assert those rights.
 - 3. Misrepresenting any material fact when providing a rental reference about a tenant.
- 4. Threatening to allege to a government agency that a tenant or prospective tenant, or a family member of a tenant or prospective tenant, is not lawfully in the United States.
- B. If a person takes any of the actions identified in subsection 5.82.070.A within 120 days of the date a tenant or prospective tenant exercises rights conferred by this Chapter 5.82, it is presumed that the action was taken in retaliation for the exercise of those rights. The person taking the actions may rebut the presumption by producing clear and convincing evidence that the actions were not retaliatory.
- **Section 3.** Corrections. The City Clerk and codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.
- **Section 4.** <u>Severability.</u> If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or application of the provisions to other persons or circumstances shall remain unaffected.
- **Section 5.** Ratification. Any act consistent with the authority and prior to the effective date of this Ordinance is hereby ratified and affirmed.
- **Section 6.** Effective Date. This Ordinance shall take effect five (5) days after publication, as provided by law

MAYOR

ATTEST:	
CITY CLERK	
APPROVED AS TO FORM:	
DEPUTY CITY ATTORNEY	
PASSED:	
APPROVED:	
PUBLISHED:	