This memo provides additional information about the community engagement process, development of policy proposals, and community feedback received.

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Community Engagement Overview

An informational webpage about tenant screening and the proposed tenant screening policies was posted on the Engage Olympia webpage and was visited by over 1,700 community members. The policies focused on income to rent ratios, criminal history, credit history, rental history, and use of Social Security Numbers in tenant screening. The page included two surveys (one for renters and community service providers and one for landlords and property managers) about experiences related to tenant screening, proposed policy elements, and ideas or suggestions for the City to address challenges in the screening process. The surveys were open for three weeks in July and August. Full survey responses are attached to the staff report, as well as a Community Engagement Summary.

In addition to multiple social media posts, staff emailed information about the survey to four landlord associations, two tenant advocacy groups, housing-related nonprofit organizations, internal city staff, City commissions, individuals who are subscribed to the City's housing-related listserves, and participants in previous tenant protections community engagement efforts.

A total of 283 community members responded to the surveys (123 renters/community service providers and 160 landlords/property managers). Of the renters/community service providers who responded, 97 rent within Olympia and 25 identified as being a housing case manager, tenant advocate or other community service provider (of those

25, 15 are also renters). Of the 160 landlords/property managers who responded, 126 own/manage properties within Olympia.

Response rate and respondent profiles

- Over 1,700 visitors to the Engage Olympia webpage
- Surveys open 3 weeks (July 18-August 8)
- Two surveys:
    - One for renters, housing case managers, tenant advocates and other community service providers who work with tenants
    - One for landlords, property managers, former landlords and people who are interested in becoming landlords
- Total of 283 survey responses
    - 43% from renters/community service providers and 57% from landlords/property managers

Renter/Service Provider respondent profile

- **123 Total respondents** (could select multiple options)
    - 97 Renter in Olympia
    - 10 Renter outside Olympia
    - 25 Housing case manager, tenant advocate, or other service provider (15 are also renters—13 rent in Olympia)
    - 7 Other

        - 2 currently unhoused
        - 2 family members of people who are trying to rent in Olympia
        - 1 former renter (2002-2022) in Olympia
        - 1 mortgage loan officer
        - 1 member of Olympia Planning Commission (also a renter)

Landlord/Property Manager respondent profile

- **160 Total respondents** (could select multiple options)
    - 126 are Landlords/property managers with rental properties in Olympia
    - 53 are Landlords/property managers with rental properties outside Olympia
    - 16 are Former landlords/property managers in Olympia
    - 11 Other, includes:
        - 5 who are considering becoming a landlord
        - 1 affordable housing advocate
- Majority of respondents live and/or work in Olympia, but a significant number (11%) are not connected to Olympia
    - 75 indicated they live in Olympia, 84 indicated they work or own a business in Olympia, 39 indicated they visit Olympia, 2 indicated they go to school in Olympia, and 17 stated that none of the above apply
- Majority are homeowners
    - 68 (91%) indicated they own their homes, 2 (3%) indicated they rent

Summary methodology

Each survey included some multiple choice and rating questions. These results have been included in this summary. Surveys also included qualitative follow-up questions to gather more insights and detail. Qualitative responses were coded and only included in this summary if they reflected 10% or more of the responses. Some responses fit within multiple categories.

High level takeaways

Renters/community service providers:

- Community service providers indicate that tenant screening practices present a significant barrier to housing and contribute to continued homelessness.
- There is general recognition that more affordable housing is needed and in lieu of enough supply, many renters/community service providers feel that this provides increased access to available options.
- Would like to see more public housing, social housing and congregate housing options.

- Many people who are most likely to be renters are also most likely to be screened out of housing opportunities (young people, people with low incomes).
- Belief that everyone deserves housing.
- Stability can only come through access to housing and integration with community, which ultimately benefits everyone in the community.
- Concerns about how enforcement will take place.

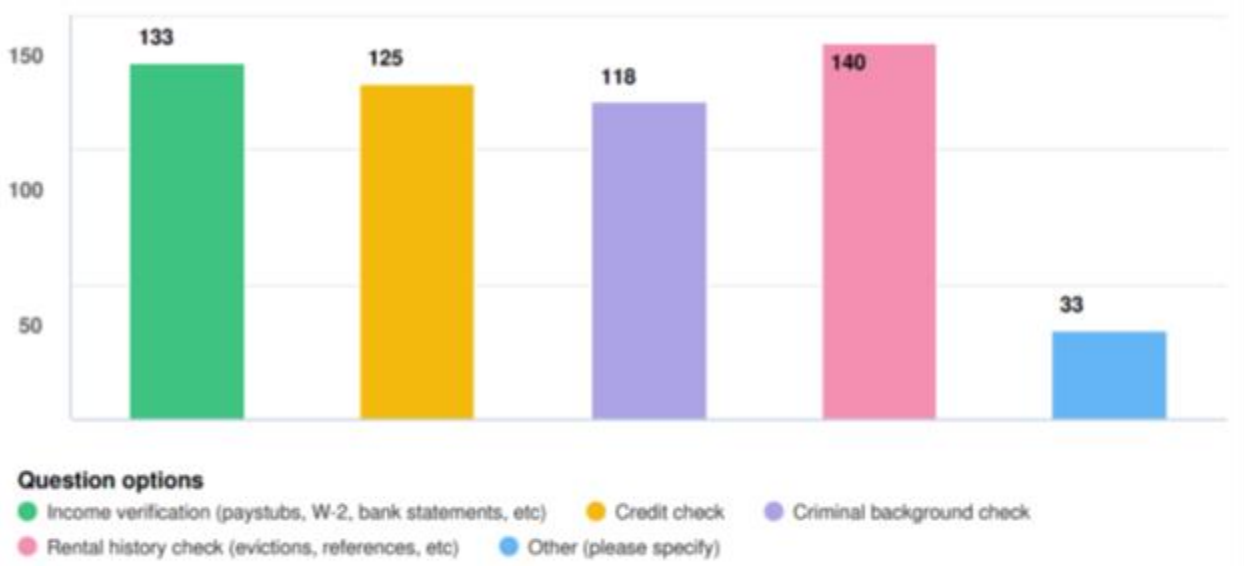
Landlords/property managers:

- Proposed policies are extra layer of regulation that makes it difficult to operate, particularly when HUD regulations are already in place. Some policies feel duplicative and make the legal landscape more confusing than it already is. Some landlords already align with many of the proposed policies in practice but fear the risk of a misstep that would put them in violation of the policies.
- Some landlords agree with the City's approach and want to make it easier for more tenants to access housing.
- Sentiment is that the City is focusing on the wrong part of the problem (housing supply), and more regulations will lead more landlords to sell, which will further exacerbate the problem.
- Belief that government should provide housing and services for the community members with most barriers.
- Many landlords expressed sentiment that it is not their responsibility to take on these larger societal problems.
- Many landlords feel they are being asked to take a risk by the City, but will not be compensated if the risk fails.
- Landlords are more likely to choose applicant with lowest risk factors to ensure less turnover, less risk of nonpayment, less risk of eviction, and less risk of conflict or potential to disrupt other tenants. Many landlords expressed that they are responsible for mortgage and tax payments, and could ultimately risk foreclosure if they cannot ensure rent payments are made.
- Acknowledgement that as tenant protections have expanded (just cause eviction, right to counsel), it is becoming a more difficult and lengthy process to go through an eviction. Landlords feel greater need to more carefully screen applicants to avoid situations that may lead to evictions.
- Many landlords feel every decision is nuanced, they need the overall picture to make a decision about a tenant, and they feel overly rigid regulations are not helpful.
- Many landlords feel they wish there was more understanding of their position and state that most are not heartless and greedy, but want reasonable precautions to ensure their property is taken care of and rent is paid.
- Smaller landlords feel that they are not considered by the City and should not be included in these policies. Cite that larger landlords can spread risk out among more units.

- Concerns about how enforcement will take place and preference for an approach that incentivizes these practices.

Current Screening Practices

Landlords were asked about their screening practices in the Engage Olympia survey



Optional question (158 response(s), 2 skipped)
Question type: Checkbox Question

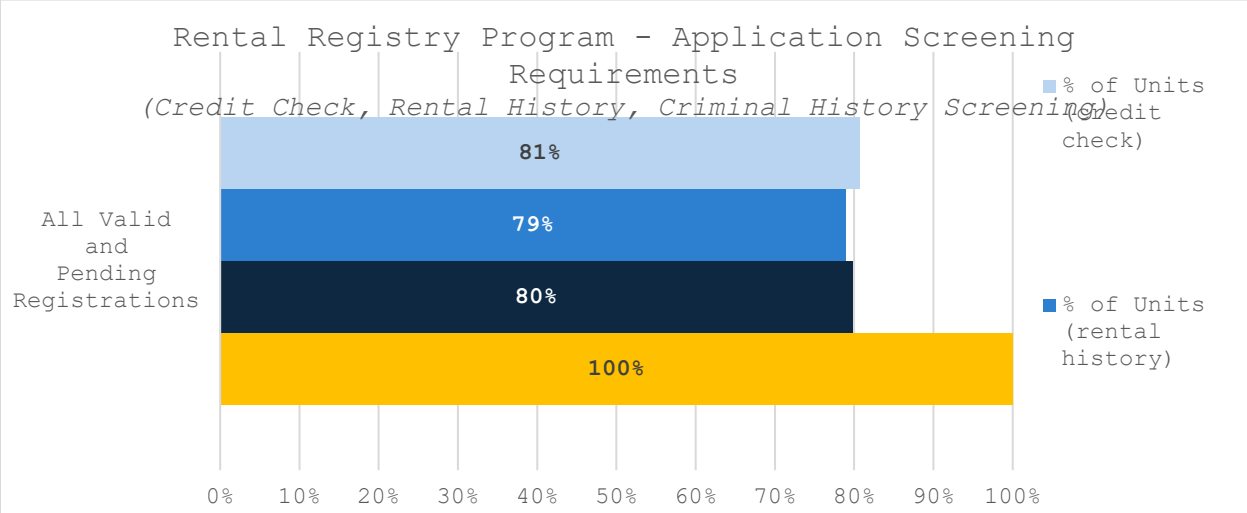
- 89% of respondents perform a rental history check
- 84% of respondents verify income
- 80% of respondents perform a credit history check
- 75% of respondents perform a criminal background check
- 21% of respondents do some other type of screening (ex: landlord, employment and personal references, verification of employment, interview, ID verification, pet interview and references, social media check, vehicle check, drive by their current residence)

Landlords were asked ***why they choose to use these screening policies***. Most landlords answered with some variation on the response that they are looking for a tenant who can pay the rent, take care of the property and be a good neighbor/respectful to other tenants. Most landlords communicated that a tenant's history is a good indication of future behavior related to the following screening elements:

- Income or employment verification is used to ensure that the tenant can afford to pay the rent consistently
- Credit background is used to review tenant's history of bill payment, debt to income ratios, patterns, late payments, any active bankruptcies, previous liens by landlords, outstanding utility bills, and ability to manage finances
- Rental history is used to look at any damages, lease violations, or unpaid rent, as well as indications that the tenant may disrupt quiet enjoyment of other tenants
- Criminal history is used to ensure that tenants are not a threat to the landlord, other tenants or neighbors, or do not have a history of property damage

Additional data about landlords' use of tenant screening practices has been collected as part of the Rental Registry and Inspection program. The rental registry application requests information about which of the following screening methods landlords use (if

any): credit check, rental history, and/or criminal history. One or more screening methods are used by 100% of registered property owners.



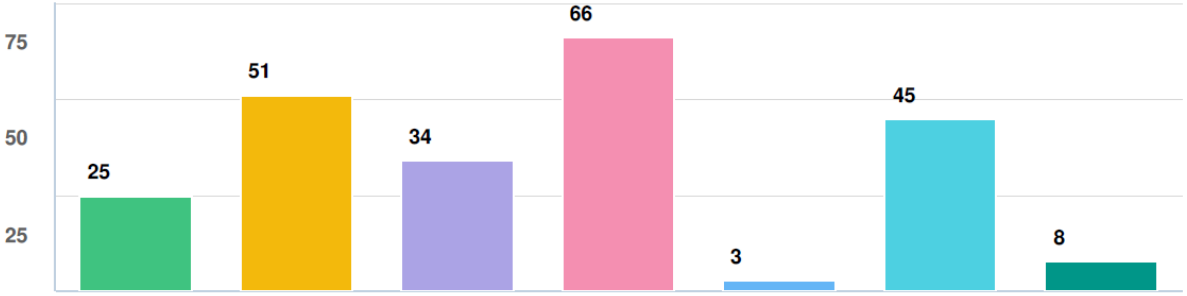
Registered single family homeowners are less likely to screen applicants than multi-family apartments with 5+ units:

- 55% of single-family homeowners screen credit, compared to 88% of multi-family apartments
- 59% of single-family homeowners screen rental history, compared to 84% of multi-family apartments
- 48% of single-family homeowners screen criminal history, compared to 87% of multi-family apartments

Impact on Renters

Renters and community service providers were asked about their experiences with tenant screening in the Engage Olympia survey

Q2 Has your housing application been rejected because of any of the following? For service providers: have community members y...



Question options

- Criminal history (or criminal history of someone in your household)
- Credit history (or credit history of someone in your household)
- Rental history (or rental history of someone in your household)
- Income too low (or income of someone in your household was too low)
- Immigration status or lack of a Social Security Number (or someone in your household's immigration status)
- None of the above
- Other (please specify)

Optional question (120 response(s), 3 skipped)
Question type: Checkbox Question

- 55% reported their housing applications have been rejected due to their income (or a household member's income) being too low
- 43% reported their housing applications have been rejected due to their credit history (or a household member's credit history)
- 28% reported their housing applications have been rejected due to their rental history (or a household member's rental history)
- 21% reported their housing applications have been rejected due to their criminal history (or a household member's criminal history)
- 3% reported their housing applications have been rejected due to their immigration status (or someone in their household's immigration status) or lack of a Social Security number
- 38% reported their housing applications have not been rejected for any of these reasons
- 43% of respondents have been rejected for two or more reasons
- 7% responded their housing applications have been rejected for 'other' reasons, including:
    - Emotional support or service animal
    - Source of income
    - Household size (number of children per bedroom)

Renters and community service providers were asked to describe how tenant screening processes have impacted them. Common themes communicated by 10% or more of respondents included:

- 13% of respondents described experiences of being stuck in substandard housing conditions, housing instability, abusive situations, and homelessness because they are unable to qualify for housing.
- 13% of respondents shared about how housing denials are costly (due to application fees) and demoralizing for people who are unhoused/seeking housing. Some shared experiences of depleting their savings while staying in hotels because they could not qualify for housing.

Proposed tenant screening policies

The following sections of the staff report outline proposed policy approaches and community input on the proposed policies by topic. Policies presented in this briefing

align with LUEC's preferred approach to set limitations on what aspects of a person's background may be considered when they are applying to rent a property.

Each section will outline the issues and impacts of the screening policy on tenants, sample policies adopted by other jurisdictions, any applicable HUD guidance, proposed policy elements for Olympia, community feedback about the proposed policies, and suggested changes. Community members provided a significant amount of qualitative input on the proposed policies through the Engage Olympia survey. Staff coded responses into themes and included themes in this report that were communicated by more than 10% of respondents.

Rent to Income Ratios background

As housing prices continue to rise, it becomes increasingly difficult for tenants to qualify for a rental unit, with current practices of requiring tenants to demonstrate that their

income is three times (or more) than the rental rate. Staff have heard from local tenants that some landlords require each applicant to demonstrate their earnings are triple the cost of rent (even if they are applying as a couple or as roommates).

Using a rent to income ratio of three times the rent, an applicant would need to earn at least $57,000 annually to qualify for a fair market rate 1-bedroom rental unit at a rate of $1,585/month. The average annual income of an Olympia renting household is just under $50,000. A renter working full-time at minimum wage earns just under $35,000 annually and would only qualify for rents below $1,000 per month.

Rent to Income Ratios sample policies

Other cities and states have enacted policies which limit the amount of tenant income that may be required to qualify for a rental unit. In Colorado, a landlord may not require the tenant's income to be more than two times the rent. Tacoma and Portland have separate limits if the rent is considered affordable or under fair market rent (ranging from two to three times the rent). If the rent is considered affordable or below fair market rent, landlords in Tacoma may require income of up to three times the monthly rent and landlords in Portland may require income of up to 2.5 times the monthly rent. If the rent is not considered affordable or above fair market rent, Tacoma landlords may require income of up to 2.5 times the monthly rent and Portland landlords may require income of up to two times the monthly rent. In Portland, landlords must include all sources of an applicant's income, including but not limited to wages, rent assistance, and monetary public benefits. A landlord may also choose to consider verifiable assistance from friends or family. Minneapolis landlords must consider an applicant's history of successful rent payment if their income is less than three times the rent.

Development of Proposed Policy

Staff drafted a proposed ordinance after receiving guidance from LUEC in November 2024. Staff provided information about the draft ordinance at Council's March 2025 study session, where Council directed staff to come back with other tenant screening policy options after the state legislative session concluded.

The proposed policy includes similar elements to policies passed by Tacoma and Portland. In the proposed policy, if a landlord screens tenant income for eligibility, either a financially responsible applicant's income OR combined household income may be used to determine financial eligibility. Landlords may not require the applicant's income to be more than 2.5 times the amount of monthly rent for the unit.

Community input on proposed policy

Proposed policy elements were presented to renters/community service providers and landlords/property managers in the Engage Olympia survey.

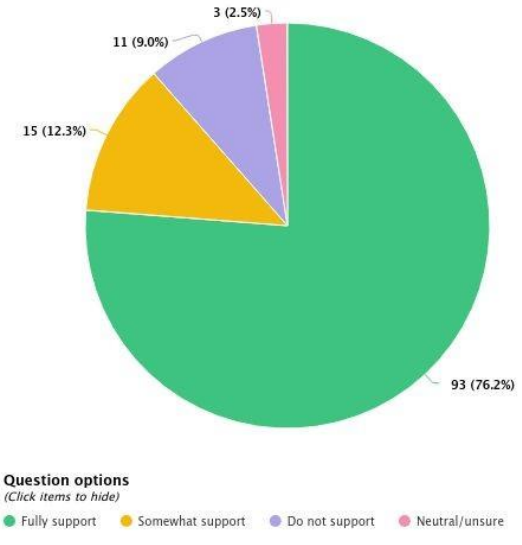
Renters and landlords were asked to ***rate their level of support*** for the proposed policy elements:

Limit the amount of income required to rent a unit

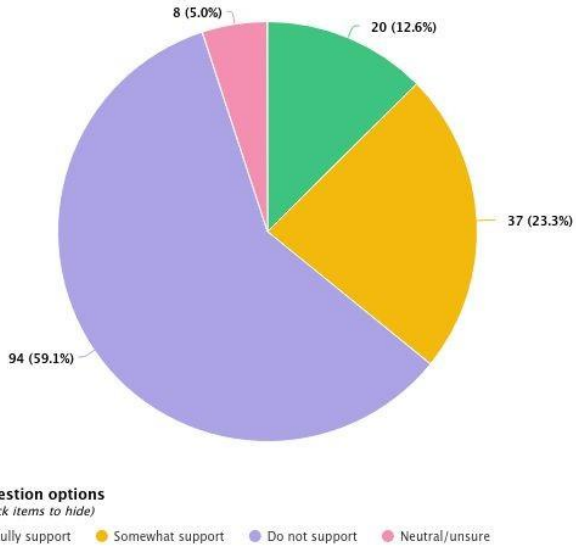
Proposed policy elements include:

- Applicants can't be required to earn more than 2.5 times the monthly rent
- Households can use combined income to meet this requirement

Renter/Community Service Provider



Landlord/Property Manager



Respondents were asked ***why they answered this way***.

Many renters preferred more affordable housing to be available so households wouldn't be cost burdened, but given the current wages and rents, expressed they would support this change to make housing more accessible. Common themes about why renters/community service providers do or don't support the proposed policy include:

- Three times the rent is not realistic and out of reach for most renters (33%)
- Even 2.5 times is too high and a lower threshold would be more realistic (14%)

Many landlords noted they can't risk a renter not being able to pay, particularly with their own financial obligations, money lost due to turnover of units, and difficulty evicting tenants with current legal protections. Common themes about why landlords/property managers do or don't support the proposed policy include:

- Concern that if renters are spending more than 30% of their income on rent, they will not be able to maintain rent payments over time or if an emergency comes up (30%)
- Ok with using combined income (13%)

- Ok with using the 2.5 times the rent threshold and feel it's likely realistic considering wages/housing costs (12%)
- Landlords should be able to determine their own screening criteria and level of risk they are willing to assume, considering they have an asset of significant value (12%)
- Concerns with allowing combined income from roommates or couples with no legal relationship; several landlords cited situations where renters had difficulty covering rent after a roommate or partner left (note: some landlords require if income is combined, no more than two applicants' income is used to qualify) (11%)
- These standards are too rigid and they make decisions based on the overall applicant (ex: income to debt ratio, credit, employment/income stability) (10%)

Landlords/property managers were asked ***what income or employment information concerned them most***. Many landlords expressed that stability of income source (no matter what the source is) and ability is verify income is very important to them. There was also some concern from landlords about fraud in the application process and need to verify income, as well as illegally sourced income.

Renters/community service providers and landlords/property managers were asked ***what they would change about the proposed policy***.

- While renters/service providers were more likely to suggest lowering the 2.5 times the rent threshold, landlords suggested it needed to be raised to 3 times the rent. However, some landlords suggested allowing for a range of 2.5 to 3 times the rent (factoring in debt, income source, or other considerations). One landlord suggested using a figure of 2 times the rent after monthly debts have been subtracted.
- Renters/community service providers suggested removing income to rent thresholds entirely and to allow renters to demonstrate their qualifications in other ways (history of rent payments, savings, voucher, cosigner, credit).
- Landlords suggested only allowing combined income for legal households (family or domestic partnership) rather than roommates

Social Security numbers background

Landlords and screening companies frequently require housing applicants to provide a Social Security number to verify identity and to assess credit or rental history. Immigrants and refugees may face additional barriers on their housing applications

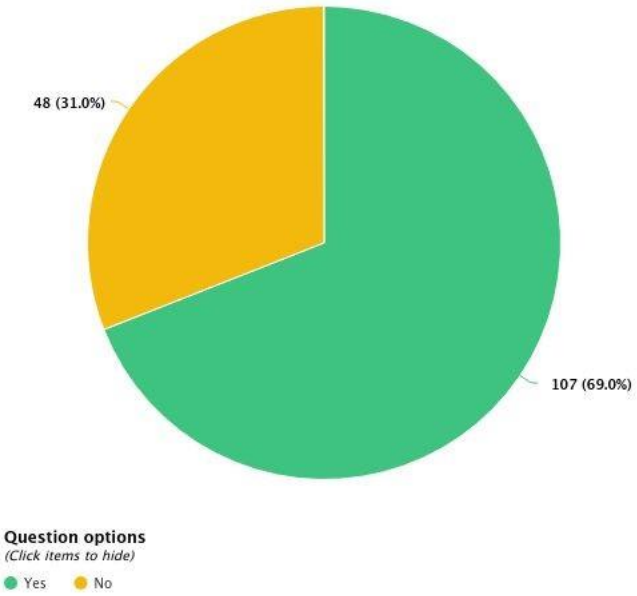
because they do not have a Social Security number. Washington State's Law Against Discrimination (WLAD) prohibits housing discrimination based on immigration or citizenship status. However, the State Human Rights Commission lacks capacity to promptly investigate and enforce the WLAD. Applicants may lose a housing opportunity if they are rejected because they are not able to provide a Social Security number on their housing application. Fair housing agencies have provided guidance on alternative documentation that can be utilized to verify an applicant's identity and financial eligibility, so that screening policies do not have an unintended discriminatory impact on immigrants and refugees.

Social Security numbers sample policies
Tacoma, Portland, Kenmore, Redmond, and King County have adopted policies that restrict landlords from requiring applicants to provide a Social Security number. Both Tacoma and Portland's policies allow applicants to provide alternative documentation to verify identity and financial eligibility, and restrict landlords from requiring applicants to provide proof of lawful presence in the U.S.

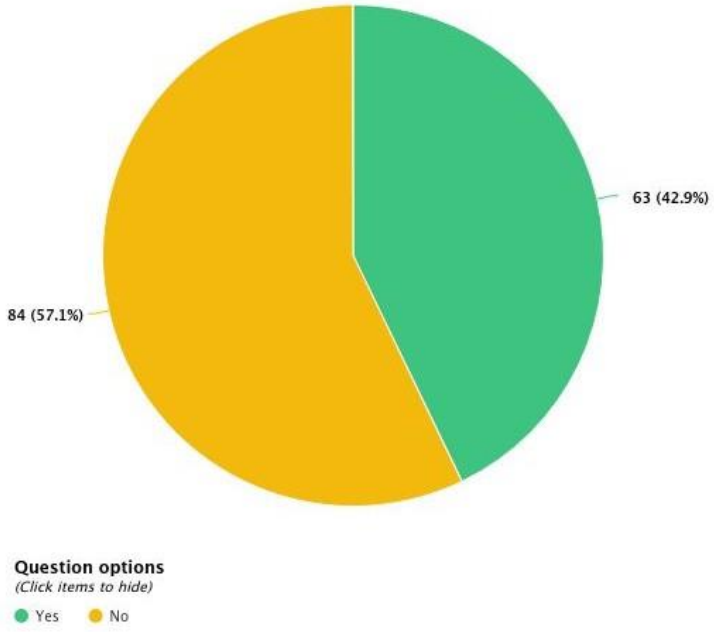
Development of Proposed Policy
Staff incorporated sample policy language from Tacoma and Portland which:

- prohibits landlords from rejecting applicants if they do not provide a Social Security number
- prohibits landlords from inquiring about an applicant's lawful presence in the U.S.
- requires landlords to allow alternative documentation to verify identity and financial eligibility of the applicant
    - Examples of acceptable documents to establish identity include a birth certificate, driver's license, individual taxpayer identification number (ITIN), non-immigrant visa, or Certificate of Naturalization (INS I-550)

Community input on proposed policy
Landlords/property managers were asked ***if they require applicants to provide a Social Security Number***:



Landlords/property managers were asked ***if they had an alternative process for applicants who don't have a Social Security Number***:



Landlords/property managers were asked ***why they do or do not require applicants to provide a Social Security Number*** and ***what alternative process or documentation they require*** if they don't require a Social Security Number.

- 17% Need it to run a background check
- 15% Need it to verify identity
- 14% Need it to run a credit check
- 12% Use a property management company or screening service that requires it
- 10% Need it as a safeguard for eviction, future collections actions through the legal system or other recourse

Alternative documentation requested/accepted by respondents includes: ITIN, government-issued identification (ex: driver's license, passport, birth certificate), bank statements, utility or phone bills.

The majority of landlords/property managers are unsure how they would screen a tenant's background without a Social Security number, such as running a credit check or criminal background check. Some respondents (8%) indicated that they do not request it or it is not relevant to their process, and 7% of respondents indicated they have never had this issue come up. Ten percent of respondents expressed concern about their ability for future legal recourse if they did not have access to a person's Social Security number (such as filing a collections or eviction action). Landlords also expressed concerns about the risk of renting to someone who may not have legal status.

Proposed policy elements were presented to renters/community service providers and landlords/property managers in the Engage Olympia survey.

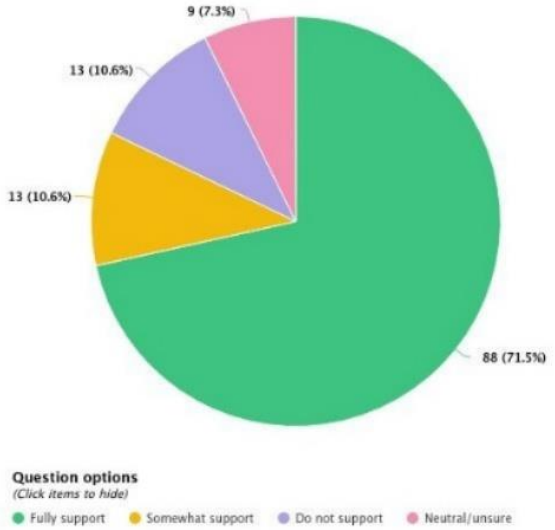
Renters and landlords were asked to ***rate their level of support*** for the proposed policy elements:

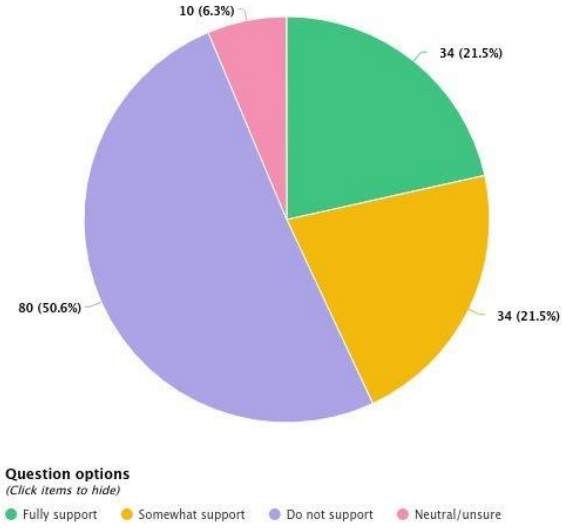
Reduce barriers for immigrants and refugees.

Proposed policy elements include:

- Applicants may not be rejected if they do not have a Social Security number
- Applicants must be allowed to provide alternative documents to establish eligibility
- Applicants may not be asked about their lawful presence in the U.S

Renter/Community Service Provider





Landlord/Property Manager

Renters/community service providers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- Immigration status should not be a barrier to housing and is not relevant to determining someone's ability to rent (42%)

Landlords/property managers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- Immigration status is not relevant (21%)
- Landlord should be able to set own screening criteria and level of risk (15%)
- More complication and risk of renting to undocumented immigrants as a result of the current political climate (risk of deportation and abandonment of tenancy, changing federal laws that could make it illegal to rent to someone who is undocumented) (12%)
- Do not want to be asked to rent to someone without legal authorization to reside in the U.S.; won't risk ignoring or breaking laws (11%)
- Concerns that the screening processes they currently use rely on Social Security numbers to complete background checks; need to be able to conduct same checks (11%)

Renters/community service providers and landlords/property managers were asked ***what they would change*** about the proposed policy.

- There was significant concern about legal risk from landlords about renting to undocumented tenants. Some landlords proposed allowing them to verify legal residency status in order to approve tenancy, and eliminate the clause that prohibits landlords from asking applicants about their lawful presence in the U.S.

Criminal history background
Racial disparities in rates of arrest, convictions, and incarceration in the U.S. are well-documented. HUD's 2016 '*Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions*,' cites these disparities in the U.S. criminal justice system. As a result, housing providers who apply overly restrictive criminal history screening may violate the Fair Housing Act because these practices have a discriminatory impact on people of color, particularly Black, Indigenous and Latine individuals. HUD's guidance states that "a policy or practice that fails to consider the nature, severity, and recency of criminal conduct is unlikely to be proven necessary to serve a 'substantial, legitimate, nondiscriminatory interest'". HUD warns against having blanket policies, such as a 'no felonies' policy, that do not take into account these individual circumstances and don't distinguish between "criminal conduct that indicates a demonstrable risk to resident safety and/or property and criminal conduct that does not." HUD also urges landlords to consider making reasonable accommodations when criminal history relates to a person's disability.

Criminal history sample policies
Many other jurisdictions have enacted rules regarding which aspects of an applicant's criminal history may be considered in housing decisions. Several cities prohibit consideration of arrest records, convictions that occurred more than a certain number of years prior to application, convictions that have been expunged or are no longer illegal, or occurred when the applicant was a minor. Many cities allow landlords to consider certain conviction types, such as manufacture, distribution or sale of methamphetamine and amphetamine, sex offenses, arson, and homicide. Many cities allow applicants an opportunity to provide additional mitigating information (such as rehabilitation and circumstances when the conviction occurred) that landlords must consider, or a formal appeal process.

Development of Proposed Policy
Staff reviewed HUD guidance and sample policies from Tacoma, Minneapolis, Portland and the State of Colorado to develop elements of a policy proposal. Staff's proposed policy elements prohibit landlords from rejecting tenants based on criteria that may not be relevant to their current situation, such as:

- arrests or charges that did not result in criminal conviction
- convictions that occurred 5+ years prior to application (with the exception of specific offenses related to violence, property damage, drug manufacture, and that require lifetime registration as a sex offender)
- convictions that have been vacated, expunged or sealed, and
- convictions adjudicated by the juvenile justice system.
- If rejected, an applicant can provide additional information about their conviction or current circumstances (positive references, completion of treatment program, etc)

Community input on proposed policy
Proposed policy elements were presented to renters/community service providers and landlords/property managers in the Engage Olympia survey. There is an understanding from both renters and landlords that people are complex and flexibility is desired to adapt to each person's unique circumstances. Many renters/community service providers expressed need for public housing or some type of housing options for people who are denied based on this criteria, particularly sex offenders and after re-entry. Some landlords expressed that there should be incentives or publicly funded housing to house renters with these barriers.

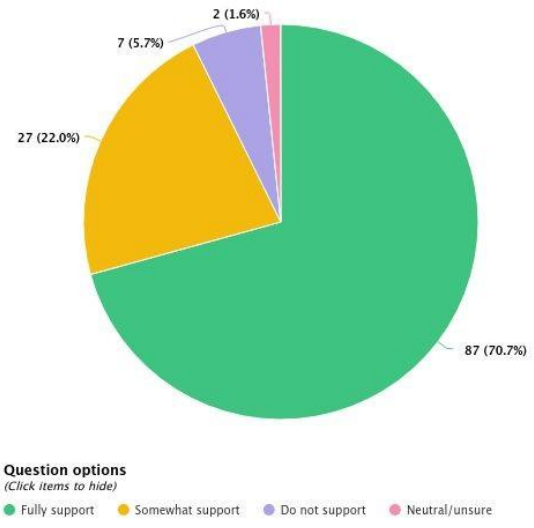
Renters and landlords were asked to ***rate their level of support*** for the proposed policy elements:

Limit the types of criminal convictions used in tenant screening and require landlords consider how recently the conviction occurred

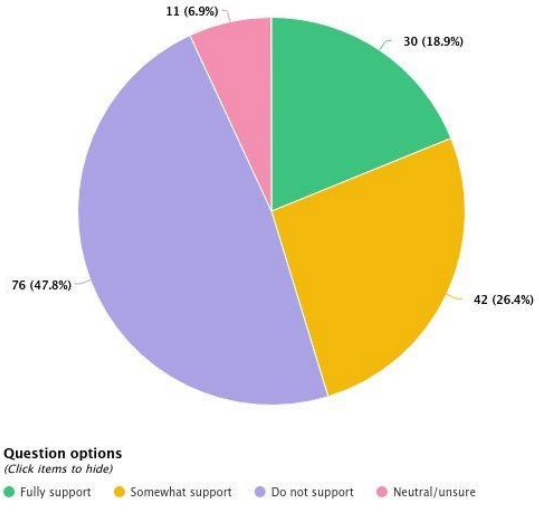
Proposed policy elements include:

- Applicants can't be rejected based on convictions older than 5 years, unless the offense is related to violence against another person, property damage, manufacture of illegal drugs, or the person must register as a sex offender for life
- Applicants can't be rejected based on arrest records that did not result in conviction
- Applicants can't be rejected based on crimes committed as a minor
- Applicants can't be rejected based on convictions that have been vacated, expunged or sealed
- If rejected, an applicant can provide additional information about their conviction or current circumstances (positive references, completion of treatment program, etc)

Renter/Community Service Provider



Landlord/Property Manager



Respondents were asked ***why they answered this way***.

Themes from renters/community service providers include:

- Recognition that people can change and should not be denied housing for mistakes made long ago or mistakes when they were young (19%)
- Belief that everyone needs housing, regardless of their criminal background (15%)
- Denying housing for criminal history will create worse outcomes regarding a person's stability, likelihood of recidivism and homelessness (13%)

Themes from Landlords/Property managers include:

- Case by case approach is needed (22%)
- Landlord should be able to decide own criteria (13%)
- HUD regulations already exist that address this (13%)
- Similar to what I already do/wouldn't effect my process (11%)
- Concern regarding safety of other tenants and neighbors, need to be able to address public safety (11%)

Landlords/property managers were asked ***what convictions or types of convictions concerned them most***. The most common responses were related to crimes against people and property, such as: violent crimes, sex offenses, theft, arson, vandalism, and destruction of property. They also described concerns regarding both the tenant's ability to maintain employment and impact their ability to fulfill their duties as a tenant, including DUI, illicit drug use, drug trafficking, and drug manufacturing. Some landlords also expressed concerns regarding financial crimes or fraud, such as embezzlement, identity theft, and money laundering.

Renters/community service providers and landlords/property managers were asked ***what they would change*** about the proposed policy.

- Over 20% of landlords suggested eliminating the 5-year timeframe, to allow them to consider criminal history from any time period. Many landlords also suggested they would like to be able to consider repeated arrests or severity of crimes committed by a minor.
- Some renters/service providers expressed concern that some convictions within 5 years are less concerning than others and should be considered on a case-by-case basis rather than an automatic denial. Some landlords suggested creating a tiered system where convictions that are less serious may be considered for one year, up to 7 years for more serious offenses. There is general recognition that some nuance and case-by-case analysis is required.
- Some landlords wanted to modify the timeframe to reflect that the person hasn't been incarcerated or under formal supervision for the past 5 years, in the event that a person hasn't been convicted in the past 5 years because they were incarcerated during that time.
- Some landlords and renters questioned allowing renters the ability to provide more information after they were denied and favored providing more information

upon applying. Landlords noted the challenges to the process since they typically have many applicants and quickly move on. Some renters questioned whether landlords would consider additional information and expressed need for more formalized appeal process or additional screening process for disqualifying crimes listed.

Credit history background
In the 2023 Assessment of Fair Housing, Thurston County advocates identified credit history as a barrier to housing access. Immigrants and refugees may have little to no established credit history in the U.S. and are frequently paid in cash. Survivors of domestic violence may have been subject to financial abuse (intentional damage to credit, were not able to have their own credit card, etc).

Landlords frequently rely on credit history to predict the likelihood of tenants paying rent. In HUD's *Guidance on Application of the Fair Housing Act to the Screening of Applicants for Rental Housing,* it is noted that credit scores were not designed to predict a successful tenancy or likelihood of paying rent--credit scores were developed to assess level of risk for defaulting on a loan. However, HUD points out that consumers are more likely to prioritize paying rent over other bills or loans. The National Consumer Law Center suggests a prospective tenant could show their current ability to pay rent with paystubs, tax returns, W-2s, and bank statements, rather than relying on past history of repayment of loan obligations—which are not treated the same as rent obligations. HUD's guidance also notes that credit scores are not as relevant as other financial characteristics, such as guaranteed rent from a Housing Choice Voucher or co-signer. HUD advises landlords to allow applicants to provide mitigating information, and that an applicant having no credit history or limited credit history is less relevant than having poor credit history. According to the 2015 Consumer Financial Protection Bureau (CFPB) report *Credit Invisibles*, about 11% of the adult population in the U.S. is 'credit invisible,' meaning that they do not have a credit record. Almost 30% of consumers in low-income neighborhoods are credit invisible and an additional 15% have unscored records (meaning they do not have sufficient or recent enough credit history to generate a credit score).

In April 2025, Washington State Governor Ferguson signed into law Senate Bill 5480, which prohibits collection agencies from reporting medical debt to credit agencies. According to a study published by the Leukemia & Lymphoma Society, 30% of Washington residents say they live in a household with medical debt, even with health insurance.

Credit history sample policies
Several cities nationwide have adopted policies limiting the use of tenants' credit scores to determine whether or not to rent to a tenant. In Philadelphia, landlords may not have blanket exclusion policies based on an applicant's credit score. Landlords are prohibited from automatically denying a tenant application because their credit score is below a certain numerical threshold and must conduct an individualized assessment.

Colorado landlords may not consider credit history from more than seven years before the date of the tenant's application and may not inquire about or consider a tenant's credit score, adverse credit event, or lack of credit score if the tenant using a voucher to pay their rent.

In both Minneapolis and Portland, landlords are not allowed to reject applicants with insufficient credit history. In Minneapolis, landlords cannot screen out tenants based on their credit score but can consider information in a credit report if it is relevant to their ability to pay rent. Portland landlords may not reject applicants with a 500+ credit score, past due-unpaid obligations of less than $1,000, a balance of less than $500 for damages to a prior rental property, discharged bankruptcies, Chapter 13 bankruptcies that are under active repayment, or who have medical or education/vocational training debt.

Development of Proposed Policy
Staff developed policy elements using HUD guidance and sample policies from other jurisdictions, including Philadelphia, Portland, Minneapolis and the State of Colorado. Staff has proposed policy that prohibits landlords from denying tenants solely for having no credit history or insufficient credit history. Additionally, landlords may not be permitted to consider medical or education/vocational training debt. Landlords may not reject applicants based on their credit score or credit history if they pay their rent using a Housing Choice Voucher or have a co-signer who has guaranteed their rent payments. Landlords must provide a written explanation with reasons for denial and provide applicants with an opportunity to provide additional information.

Community input on proposed policy
Proposed policy elements (as described above) were presented to renters/community service providers and landlords/property managers in the Engage Olympia survey.

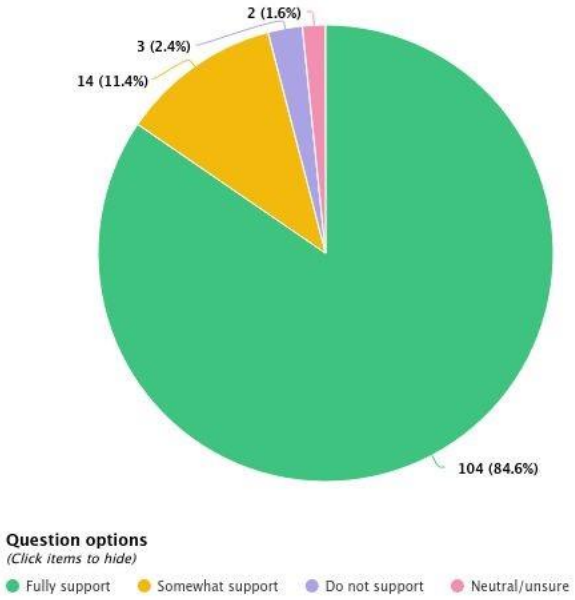
Renters and landlords were asked to ***rate their level of support*** for the proposed policy elements:

Limit what credit history is used in tenant screening.

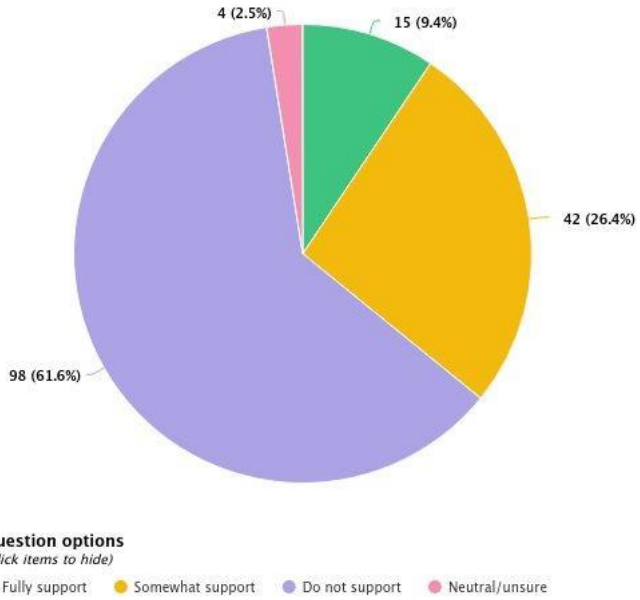
Proposed policy elements include:

- Applicants cannot be rejected for having no credit history or insufficient credit history
- Applicants cannot be rejected based on medical debt or education/vocational debt
- Applicants cannot be rejected based on their credit history if they pay their rent using a Housing Choice Voucher or have a cosigner who has guaranteed their rent payments

Renter/Community Service Provider



Landlord/Property Manager



Renters/community service providers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- Credit history shouldn't be a factor in housing access (20%)
- Credit takes years to build and people have to start somewhere (particularly young people and immigrants/refugees) (17%)

Renters/community service providers note that, historically, rent payments have not factored into credit scores, so shouldn't be used as a reflection of a person's ability to pay rent, noting that positive references, sufficient income and rental history are more indicative of ability to pay rent. Many renters/community service providers noted that one emergency can severely damage a person's credit score and it takes a very long time to increase a credit score. Some tenant advocates noted that renters prioritize paying rent over other financial obligations.

Landlords/property managers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- Landlord should be able to decide own criteria, level of risk, and offset measures to mitigate risk (33%)
    - Not my responsibility to take risk for tenants, need to pay my bills
    - Too difficult to evict tenants, need to screen carefully
    - I would raise rents or charge a larger deposit (if allowable) to reduce risk
- Debt is debt; need to be able to look at a person's debt vs. income, regardless of source of debt, in relation to their ability to pay rent (26%)
- Rely on credit history to assess a person's fiscal responsibility and patterns to determine likelihood they will pay rent on time; cannot do that without credit history (22%)

- Prefer to evaluate on a case-by-case basis; nuance to every situation (14%)
- Similar to my current process (11%)
- Recognition that these are imperfect/unfair systems and credit history is not always reflective of a person's ability to pay (10%)

Many landlords acknowledged that credit scores are an imperfect tool but still a tool for some objective determination of a person's financial patterns and history. Many landlords are more concerned about debt-to-income ratios and ability to pay rent, than in credit scores. There are significantly different opinions among landlords regarding applicants with no credit history or insufficient credit history. Many landlords are understanding of medical debt but more concerned about student loan debt. Many landlords indicated understanding for young people who do not yet have credit history and who choose not to utilize credit cards. Several landlords expressed concern about the difficulty of using co-signers and indicated they need to be able to screen co-signers, as well, and would like to require in-state co-signers. Several landlords expressed sentiment that credit history is required for a mortgage or to buy a car, so requirement should not be any different for renting. Several landlords made comments that indicate bias against renting to tenants with Housing Choice Vouchers and would not support policies that provide exemptions to these renters.

Landlords/property managers were asked ***what credit history information concerned them most***. Most were concerned with payment history (late payments, failure to make payments) and amount of debt (especially in comparison to amount of income). Several landlords also cited issues related to rental history, such as rental collections, evictions, and failure to pay rent or utilities. Several are interested in consumer debt, collections and bankruptcies, that are other tenant liabilities. Some landlords are concerned with low credit scores as an indication of overall financial management.

Renters/community service providers and landlords/property managers were asked ***what they would change*** about the proposed policy.

- Over 20% of renters/community service providers suggested eliminating use of credit history in tenant screening.
- Some renters suggested allowing substitutions for credit history (such as employment history, rent payment history, presence of a voucher or cosigner). Some landlords also feel there should be more nuance and landlords should be allowed to review on a case-by-case basis.
- Many landlords feel that debt is debt and that they should be able to consider a tenant's debt to income (even if it is medical or education-related debt).
- One landlord suggested adapting language slightly to: Applicants cannot be rejected ***solely*** based on medical or education-related debt.

Some renters and landlords indicated there is a need for people to receive education on credit. While some renters and landlords supported protections for renters with Housing Choice Vouchers, others felt the same rules should apply to all, or felt that this was duplicative of state source of income discrimination laws.

Rental history background
Rental and eviction history are commonly used to screen applicants. As noted by the HUD Office of Fair Housing & Equal Opportunity's *Guidance on Application of the Fair Housing Act to the Screening of Applicants for Rental Housing*, court records are often unreliable, as they do not always contain accurate information about the nature and outcomes of a case. The HUD guidance also notes that some eviction records are irrelevant, such as no-fault evictions, evictions that were filed in retaliation for a tenant asserting their rights, evictions filed due to an underlying domestic violence issue where the tenant is the survivor, or tenants who have since obtained a housing voucher to help pay their rent. HUD urges landlords and tenant screening companies not to rely on eviction records that are old or incomplete and additionally advises that applicants should not be denied when the tenant prevailed, a settlement was reached, or the matter was dropped.

According to data from the Evictions Study conducted by University of Washington, between 2013 and 2017, 1 in 55 Washington adults were named in an eviction filing. According to 2022 data from the Office of Civil Legal Aid's Right to Counsel program, Black or African American and Native Hawaiian or other Pacific Islander tenants were involved in eviction proceedings in Thurston County at nearly three times the rate of their proportion of the population.

Rental history sample policies
In Philadelphia and Colorado, tenants cannot be screened for evictions older than four years and seven years, respectively. Evictions with certain case outcomes cannot be considered by the landlord in Philadelphia (such as evictions that have been sealed, evictions that did not result in a judgment for the landlord, evictions that were withdrawn, satisfied or settled).

Minneapolis and Portland enacted screening criteria prohibits landlords from rejecting applicants who have insufficient rental history, rejecting applicants based on evictions that were dismissed or where the tenant prevailed, or resulted in a judgment against the tenant more than three years prior to the application.

Development of Proposed Policy
Staff incorporated elements from the sample policies outlined and HUD guidance into the proposed policy. The proposed policy prohibits landlords from taking adverse action against Housing Choice Voucher participants who have a prior eviction due to nonpayment of rent if it precedes when they received their voucher. Additionally, landlords may not reject an applicant with insufficient rental history if they have a co-signer.

The proposed policy prohibits landlords from taking adverse action based on certain rental history, such as:

- evictions where the tenant prevailed
- evictions that were withdrawn, settled or dismissed
- evictions where an order of limited dissemination was entered

- judgments against the tenant that have been satisfied, and
- no-fault evictions (such as if the landlord needed to move back into the unit, or the landlord decided to sell the unit).

Community input on proposed policy
Proposed policy elements (as described above) were presented to renters/community service providers and landlords/property managers in the Engage Olympia survey.

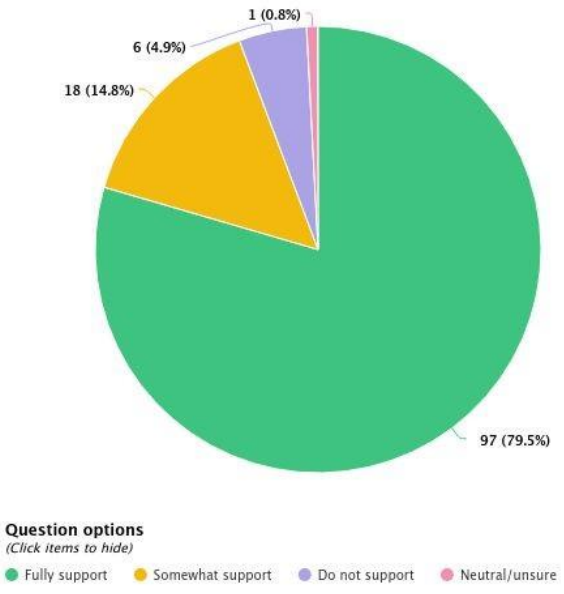
Renters and landlords were asked to ***rate their level of support*** for the proposed policy elements.

Limit what rental history is used in tenant screening.

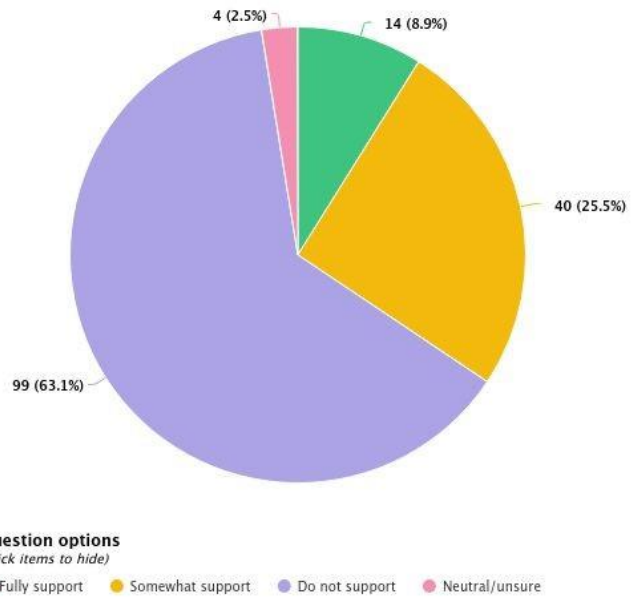
Proposed policy elements include:

- Applicants cannot be rejected based on evictions where the tenant prevailed (won their case)
- Applicants cannot be rejected based on evictions that were withdrawn, settled or dismissed (the case was dropped or the landlord and tenant came to their own agreement)
- Applicants cannot be rejected based on evictions where an order of limited dissemination was entered (this is a court order that limits reporting of information about the eviction to credit agencies)
- Applicants cannot be rejected based on judgments against the tenant that have been satisfied (paid off)
- Applicants cannot be rejected based on no-fault evictions (such as if the landlord needed to move back into the unit, or the landlord decided to sell the unit)

Renter/Community Service Provider



Landlord/Property Manager



Renters/community service providers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- An applicant should not be rejected based on previous eviction history; need to reduce barriers to accessing housing (25%)
- Agreement that these situations should not be a basis for rejecting renters (22%)
- There can be many reasons for evictions; landlords don't always look further into the outcome or reason; could be a predatory or improper eviction (21%)

Landlords/property managers were asked ***why they did or did not support*** the proposed policy elements. Themes include:

- Many landlords feel that they should be able to consider one or more of the proposed exempted eviction situations. Many landlords feel wary of any prior evictions and want to be able to consider any information regarding prior evictions. (37%)
- Landlord should be able to decide own criteria, level of risk (24%)
- Many landlords prefer to address on a case-by-case basis (10%)

Landlords/property managers were asked ***what rental history information concerned them most***. Over one third of landlords expressed that they are concerned with indications of previous property damage and prior evictions or litigation. One quarter of landlords were most concerned by nonpayment of rent, with an additional 20% citing late payment of rent. Many landlords stated they are concerned when there is a lack of transparency and open communication from the tenant. Many landlords also check references from previous landlords and are concerned when there are previous complaints from neighbors, lease violations, or prior criminal activity at the rental property.

Renters/community service providers and landlords/property managers were asked ***what they would change*** about the proposed policy.

- Some renters and landlords feel a time limit should be set for evictions that can be considered (such as in the past 2-5 years).
- Both renters and landlords felt that there should be allowance for nuance and consideration of individual factors, and that allows renters to show other qualifications.
- Some renters and landlords suggested looking at individual circumstances related to financial hardship. One renter suggested that landlords should not be able to deny applications where tenants have evictions related to documented financial emergencies and meet income qualifications. One landlord suggested differentiating between nonpayment situations due to financial hardship vs. non-cooperation or intentional lease violations.

Unintended Consequences

In the Engage Olympia survey, renters/community service providers were asked ***if they had any concerns about the proposed policies***. Most renters expressed concerns regarding enforcement of the policies, particularly how it would be enforced, timely enforcement, and questions regarding whether a unit would be held while the matter is decided. There were also concerns that the policies would be watered down, or face opposition. Some renters were concerned that the policies may unintentionally leave out or not consider every situation. Some also expressed concern that their landlord might sell. Renters/community service providers also expressed a need for more clear communication about renter's rights and how to file complaints, if these policies are passed. Additionally, many renters are concerned that without addressing cost of rent, these policies will still leave many people out of housing because they cannot afford it.

Landlords/property managers were asked ***how the proposed policies would impact how they do business***. Half of respondents indicated they would consider selling or would take their rental units off the market. About 10% indicated it would have little to no impact on them, based on their current practices. Some respondents stated it would discourage them from investing in future rental properties in Olympia. A few landlords stated they would become more stringent in the screening tools they have available to them.

Other approaches and options

Council could consider other approaches to this issue, including education and outreach, programmatic solutions, and/or regional collaboration.

Respondents to the Engage Olympia survey were asked to provide ***other suggestions or ideas*** about how the City could address this issue.

Both renters and landlords provided the following solutions:

- Increase supply of affordable housing and options for people experiencing homelessness
    - There was particular support from renters/community service providers for public or social housing options
- Create a risk pool or guarantees (government funding and/or landlords could contribute to a fund they can access in the event of losses if they take a risk on a tenant)
    - There was particular support from landlords/property managers in providing incentives and risk mitigation to enact more inclusive screening practices
- Provide education to tenants and landlords (educate landlords about discriminatory practices and screening questions, public education campaigns on tenant rights and landlord responsibilities, offer credit counseling and financial education to renters)
- More effective enforcement for landlords who have discriminatory practices (ways to report discriminatory landlord practices and harassment, accountability and targeted efforts on bad actors)
- Create a screening platform through the City (create one place to apply/be screened)

The development of Thurston County's 5-Year Homeless Crisis Response Plan is currently underway. People with lived experience of homelessness and homeless crisis response system staff have cited criminal records as both a cause of homelessness and a barrier to exiting homelessness. The draft plan has identified strategies to engage with landlords, provide education to reduce stigma, explore incentive programs, global leasing or other models to partner with landlords to expand housing access. The plan also identifies strategies to improve partnerships to better support individuals re-entering the community after incarceration. The City can collaborate with partnering jurisdictions and organizations regionally to support these efforts.

Staff could explore program models and options that have been adopted in other jurisdictions to lower barriers to housing access by partnering with landlords, such as Housing Connector and landlord liaison programs. In these programs, nonprofit housing agencies may refer clients to landlords who agree to participate in the program. These programs are accompanied by various incentives, which may include funding support for unpaid rent or damages and on-call case management or help problem-solving. Landlords who participated in the survey expressed support for a risk mitigation pool that landlords can access if they rent to tenants who have blemishes on their criminal,

credit or rental history. Landlords who participate could be provided fee waivers for the City's rental registry and license costs, and subsidized housing inspections, in addition to other incentives.

City staff could provide education and guidance on the ways that overly restrictive screening policies can have disparate impacts on groups with protected status under fair housing laws. The Fair Housing Center of Washington provided similar training in 2023 after the Assessment of Fair Housing identified this as a strategy to reduce barriers in the screening process. Staff can utilize the rental registry listserve to advertise training opportunities.