September 30, 2020

2020 Legislative Threats & Achievements

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COVID-19 Challenges
## Onsite behavior challenges under COVID

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct / lease violations / nuisance</td>
<td>17%</td>
<td>70%</td>
<td>72%</td>
<td>79%</td>
<td>83%</td>
</tr>
<tr>
<td>Criminal / violent behavior / assault</td>
<td>6%</td>
<td>32%</td>
<td>27%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Harassing behavior / domestic disputes</td>
<td>6%</td>
<td>42%</td>
<td>43%</td>
<td>61%</td>
<td>51%</td>
</tr>
<tr>
<td>Noise violations / loud music / parties</td>
<td>62%</td>
<td>74%</td>
<td>76%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Parking / vehicle</td>
<td>11%</td>
<td>38%</td>
<td>42%</td>
<td>53%</td>
<td>48%</td>
</tr>
<tr>
<td>Pet issues</td>
<td>27%</td>
<td>43%</td>
<td>57%</td>
<td>60%</td>
<td>63%</td>
</tr>
<tr>
<td>Property damage / vandalism / theft</td>
<td>4%</td>
<td>27%</td>
<td>28%</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Smoking / marijuana</td>
<td>42%</td>
<td>64%</td>
<td>68%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td>Trash / dumping</td>
<td>20%</td>
<td>53%</td>
<td>45%</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>Unauthorized guests / occupants / safety</td>
<td>14%</td>
<td>51%</td>
<td>59%</td>
<td>66%</td>
<td>70%</td>
</tr>
</tbody>
</table>

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Rent Collection

• Rent collection remains low compared to Year-over-Year across all asset classes.
• Rent collection continues to decrease month-over-month during the pandemic across all asset classes.
• Median delinquency as of September 14 is 13%
Washington Eviction Moratorium

Governor’s Stakeholder Group

<table>
<thead>
<tr>
<th>Landlord Representatives</th>
<th>Tenant Representatives</th>
<th>Elected Officials</th>
<th>State Agency Directors</th>
<th>Local Government Representatives</th>
<th>Housing Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>10</td>
<td>4</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**Goals**
- Continuous transition from the current moratorium towards normalcy

**Challenges**
- Outcomes become permanent
- Pilot programs become permanent
- Long-term legislative consequences
- Rent control
COVID-19 Challenges locally

- Seattle moratorium on residential eviction signed March 16 and extended 4 times through December 31, 2020.

- Seattle moratorium on commercial evictions signed March 17, 2020 and extended through December 31, 2020.
COVID-19 Challenges locally

• City of Seattle – Residential
  • CB 119784 – Extends eviction defense for nonpayment past moratorium
  • CB 119788 – Requires baseline payment plans
  • CB 119787 – Prevents use of eviction history in tenant screening

• City of Seattle – Commercial
  • CB 119766 – prohibits rent increases, and terminations; and provides payment plan requirements

• Suburban cities using guise of pandemic to pass additional protections and further opportunities to restrict housing access
Established WMFHA as the premier source of local monthly nonpayment of rent information.

Secured $100+ million in rental assistance available statewide.

Obtained opportunity for termination for single family owner sale and occupancy.

Clarified service of Sheriff’s service of the Writ of Restitution.

Placed two key members to the Governor’s stakeholder group.
Changing the narrative

“Hope is not a business model”
There exists a misconception that rental housing owners enjoy large margins and can continue operating in the absence of rent payments.

With so much discussion around rent payments during COVID-19, the rental housing industry would like to explain the breakdown of $1 dollar of rent.

$1 DOLLAR OF RENT

80 percent of the rent pays the

- Mortgage,
- Payroll,
- Utilities,
- Insurance, and
- Taxes.

Only 9 cents of every $1 are returned to owners, including the
many apartment owners who are themselves small businesses and rely
on this revenue to make ends meet,
and investors, which include public
pensions and 401(k)s, on which many
Americans rely—whether or not they
reside in rental housing.

Approximately 39 cents of every $1
pays for the mortgage on the property.
Roughly two-thirds of the apartment industry
has private lenders and are ineligible for
federal mortgage forbearance via the
CARES Act. This is a critical expense, as
mortgage foreclosures put all residents
at risk of losing their housing.

10 cents of every $1 is spent
on capital expenditures, including
roof and HVAC replacement and
other important repairs that help
ensure quality housing for America’s
45 million rental housing residents.

27 cents of every $1 covers payroll expenses, including
paying employees who operate and maintain the property,
ongoing maintenance, utilities, insurance and the like.

14 cents of every $1 goes to property taxes, which in turn supports the community through financing for schools,
teachers, emergency services and other important local needs.
COVID-19 eviction Moratorium - March

- As the COVID-19 outbreak progressed through Spring, we worked to combat the impact of Inslee’s initial eviction ban. Messaging highlighted
- One of the first to recommend a 30-day moratorium on service of eviction writs; and
- Aggressively advocate for long-term rental assistance programs in Washington.

8:00 pm, Mar. 11, 2020

Washington landlord groups call for halting evictions for 30 days

Washington’s major landlord groups say there should be a 30-day emergency halt to the enforcement of evictions in King County, due to the novel coronavirus.

The Rental Housing Association of Washington (RHA), which has more than 5,100 landlords, called for the move in a blog post Wednesday. The Washington Multi-Family Housing Association (WMFHA) also supports the idea, spokesman Zach Knowling said.

The landlord groups want eviction filings to continue but are suggesting that the enforcement of evictions be delayed. Their recommendation is aimed at King County because that’s where the virus has had the greatest impact, the RHA post said.
Secured coveted Seattle Times editorial board interview.

- Results in a favorable piece criticizing the council’s approach and

- Highlights the need for long-term solutions like comprehensive rental and mortgage assistance.
# 2020 Media Summary

<table>
<thead>
<tr>
<th>Stories w/ Industry Messaging + Quotes</th>
<th>Blogs and Statements Developed</th>
<th>Reactive Inquiries</th>
<th>Media-Ready Landlords</th>
<th>Landlord Stories Mined</th>
</tr>
</thead>
<tbody>
<tr>
<td>156</td>
<td>13</td>
<td>70</td>
<td>18</td>
<td>13</td>
</tr>
</tbody>
</table>
2020 Legislative Session
2020 Legislative Session

Landlord/tenant legislation defeated in 2019/2020

- HB 1446
- HB 1818
- HB 1103
- HB 1172
- ESHB 1453
- SHB 1656
- HB 1705
- HB 1728
- SHB 2520
- HB 2724

- HB 2779
- SSB 5123
- SB 5314
- 2SSB 5376
- SSB 5733
- SSB 5907
- SB 5775
- SB 6379
- SB 6490

- Rent control
- Just cause eviction
- Capital gains taxes
- Individual utility metering
- Tenant screening limitations
- Transfer of damages at move-out
2020 Legislative Session

- MFTE provides a two-year extension to current communities (partial veto)

- Additional funding for Landlord Mitigation Fund / Tenancy Preservation Fund.
2020 Legislative Session

- Requires installment payments for move-in costs under certain conditions
- Prohibits assessment of late fees before the 7th of the month
- Provides explicit discretion in acceptance of cash
2020 Legislative Session

- Permits certain social security recipients to delay payment of rent by 3 days.
- Clarifies an award of attorney fees is permitted where the tenant responds to the Complaint but fails to appear at the Order to Show Cause hearing.
- Require acceptance of a Community Pledge.
Election outcomes determine policy success in 2021

Primary results maintain status quo imbalance

General election
  - Higher turnout expected
  - Top of the ballot fall out?
2021 Legislative policy

• Expect renewed efforts to the progressive agenda:
  • Rent control
  • Just cause eviction
  • Tenant screening limitations
  • Occupational licensing requirements
  • Perceived pandemic needs
  • Capital gains taxes
A coalition of 19 committed to preventing rent control in Washington.

**Partnership for Affordable Housing**
Washington is missing 225,000+ homes

Source: Up for Growth
The map shows how many units could be lost due to rent control between 2021-2030. The years of lost supply puts this figure in context to historical production of multifamily units over the past decade (2010-2019).
For more information about the Partnership for Affordable Housing, visit http://www.partnershipforaffordablehousing.com.