### ORDINANCE NO.

AN ORDINANCE OF THE CITY OF ISSAQUAH, WASHINGTON, CREATING A NEW CHAPTER 5.52 OF THE ISSAQUAH MUNICIPAL CODE THAT ADOPT TENANT PROTECTIONS INCREASING NOTICE FOR RENT INCREASES, PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, over the past several years rents in East King County have increased, and vacancies for affordable rental housing are at low levels, making it difficult for tenants, especially those with low incomes, to find affordable rental housing; and

WHEREAS, the King County Regional Affordable Housing Task Force issued its *Final Report and Recommendations for King County*, December 2018 (rev. March 2019) ("*Affordable Housing Task Force Final Report*"), which identifies that renting rather than owning a home increases the chances of being severely cost burdened, 1 and recognizes an existing affordable housing crisis in King County; 2 and

WHEREAS, the *Affordable Housing Task Force Final Report* includes a regional plan with goals, strategies and a five-year action plan to address the affordable housing crisis, and Goal 4 of the action plan is to "[p]reserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness"; and

WHEREAS, Washington's Residential Landlord Tenant Act (RLTA) requires a minimum of sixty (60) days' prior written notice for rent increases for non-subsidized housing; and

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

<sup>&</sup>lt;sup>1</sup> King County Regional Affordable Housing Task Force, *Final Report and Recommendations for King County*, December 2018 (rev. March 2019) at 15.

<sup>&</sup>lt;sup>2</sup> *Id*. at 7.

<sup>&</sup>lt;sup>3</sup> *Id*. at 8.

WHEREAS, the ARCH Interlocal Agreement (ILA) establishes a common purpose among ARCH members of acting cooperatively to formulate affordable housing goals and policies; and

WHEREAS, recent Census data estimated that 25,870 renter households in ARCH member jurisdictions are cost-burdened, paying more than 30 percent of income toward housing costs, and 12,550 renter households are severely cost-burdened, paying more than 50 percent of income toward housing costs; and

WHEREAS, renters occupy approximately 41 percent of the housing units located in Issaquah and 43.5 percent of those renters are cost burdened or severely cost burdened;<sup>4</sup>

WHEREAS, local rental assistance programs are finite and have exhausted or nearly exhausted available resources for renters, and such programs are often limited to tenants who have received eviction notices; and

WHEREAS, residents of affordable rental housing created by ARCH member jurisdictions' policies and programs are subject to annual rent increases, based on changes in the area median income (AMI) as published by the Department of Housing and Urban Development (HUD); and

WHEREAS, residents of naturally occurring affordable housing that exists in Issaquah are not protected by ARCH restrictive covenants governing annual rent increases and cost burden analysis; and

WHEREAS, the residents of ARCH monitored housing and naturally occurring affordable housing in Issaquah will be subject to significant expected rent increases in 2022, which are anticipated to exacerbate cost burdens, and create economic displacement and other negative impacts; and

<sup>&</sup>lt;sup>4</sup> <u>IssaquahSnapshot2020vf.pdf</u> (housingconsortium.org)

WHEREAS, the ARCH ILA establishes an Executive Board with responsibility for providing recommendations to ARCH member jurisdictions regarding local and regional affordable housing policies; and

WHEREAS, at its April 14, 2022, meeting, the ARCH Executive Board adopted Resolution 2022-01 providing recommendations to ARCH members to adopt several tenant protections, including a requirement for a lengthier notice period for rent increases than provided in state law for non-subsidized housing; and

WHEREAS, on July 19, 2022, the Issaquah City Council Services, Safety, and Parks Committee (Committee) met to discuss the ARCH Executive Board's recommendations for tenant protections; and

WHEREAS, at the conclusion of their July 19, 2022, meeting the Committee directed staff to prepare an ordinance requiring not less than one hundred twenty (120) days' written notice for rent increases greater than three percent (3%); and

WHEREAS, after reviewing the draft ordinance prepared at the direction of the Committee, the City Council desires to create a new Chapter 5.52 of the Issaquah Municipal Code to adopt the recommended increased notice period for rent increases greater than three (3) percent, and finds that such adoption is in the best interests of the residents of Issaquah and will promote the public health, safety and welfare of the City; and

WHEREAS, this Ordinance is adopted pursuant to the City's police powers and regulatory authority derived from Wash. Const. art. XI, Section 11; NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ISSAQUAH, WASHINGTON DOES ORDAIN AS FOLLOWS:

SECTION 1. <u>Findings</u>. The City Council adopts the recitals set forth above as findings in support of this Ordinance, which are incorporated by reference as if set forth in full.

SECTION 2. New Chapter 5.52 of the Issaquah Municipal Code. The City Council hereby creates Chapter 5.52 of the Issaquah Municipal Code, Tenant Protections, as set forth below.

# Chapter 5.52

#### TENANT PROTECTIONS

Sections:

- 5.52.010 Definitions.
- 5.52.020 Applicability.
- 5.52.030 Notice of Rent Increase.
- 5.52.040 Provisions in violation of restrictions null and void; exemption.
- 5.52.050 Rental agreement that waives tenant's remedies prohibited Exception.
- 5.52.060 Effect on Existing Lease Provisions

# 5.52.010 Definitions.

The definitions of this section apply throughout this chapter unless the context clearly requires otherwise. The definitions of RCW <u>59.18.030</u> under the Residential Landlord-Tenant Act (RLTA) also apply to this chapter unless otherwise defined in this section.

A. "Dwelling" or "dwelling unit" has the same meaning as RCW 59.18.030(10), as may be amended. At the time of passage of the ordinance codified in this chapter, the RLTA defined "dwelling unit" to mean a structure or that part of a structure which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, including but not limited to single-family residences and units of multiplexes, apartment buildings, and mobile homes.

- B. "Landlord" has the same meaning as RCW 59.18.030(16), as may be amended, and excluding the living arrangements identified in RCW 59.18.040. At the time of passage of the ordinance codified in this chapter, the RLTA defined landlord as the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part, and included any person designated as representative of the landlord, including, but not limited to, an agent, a resident manager, or a designated property manager.
- C. "Rental agreement" or "lease" has the same meaning as RCW <u>59.18.030(30)</u>, as may be amended. At the time of the passage of the ordinance codified in this chapter, the RLTA defined "rental agreement" as all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit.
- D. "Subsidized housing" has the same meaning as RCW <u>59.18.030(33)</u>, as may be amended. At the time of the passage of the ordinance codified in this chapter, the RLTA defined "subsidized housing" as rental housing for very low-income or low-income households that is a dwelling unit operated directly by a public housing authority or its affiliate, or that is insured, financed, or assisted in whole or in part through one of the following sources: (a) A federal program or state housing program administered by the department of commerce or the Washington state housing finance commission; (b) A federal housing program administered by a city or county government; (c) An affordable housing levy authorized under RCW <u>84.52.105</u>; or (d) The surcharges authorized in RCW <u>36.22.178</u> and <u>36.22.179</u> and any of the surcharges authorized in chapter <u>43.185C RCW</u>.
- E. "Tenant" has the same meaning as RCW <u>59.18.030(34)</u>, as may be amended, and excluding the living arrangements identified in RCW <u>59.18.040</u>, and RCW 59.20.030(24), as may be amended. At the time of passage of the ordinance codified in this chapter, the RLTA defined

"tenant" as any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement, and RCW 59.20.030 defined "tenant" as any person, except a transient, who rents a mobile home lot.

# 5.52.020 Applicability.

Sections 5.52.030 through 5.52.050 apply to tenancies governed by Chapter 59.18 RCW (RLTA) and Chapter 59.20 RCW (Manufactured/Mobile Home Landlord-Tenant Act) and are in addition to the provisions provided in said chapters.

### 5.52.030 Notice of rent increase.

A. Any rental agreement or renewal of a rental agreement shall state the dollar amount of the rent or rent increase and include, or shall be deemed to include, a provision requiring not less than one hundred twenty (120) days' written notice for rent increases greater than three percent (3%).

B. If the rental agreement governs subsidized housing where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, the landlord shall provide a minimum of thirty (30) days' prior written notice of an increase in the amount of rent to each affected tenant.

#### 5.52.040 Provisions in violation of restrictions null and void - Exemption.

A. Any provisions in violation of 5.52.030 in a rental agreement are null and void and of no lawful force and effect.

B. Nothing in this chapter shall be interpreted or applied so as to create any conflict with federal law. In the event of any conflict, federal requirements shall supersede the requirements of this chapter.

## 5.52.050 Rental agreement that waives tenant's remedies prohibited – Exception.

- A. No rental agreement, whether oral or written, may provide that the tenant waives or foregoes rights or remedies under this chapter, except as provided by subsection B of this section.
- B. A landlord and tenant may agree, in writing, to waive specific requirements of this chapter if all of the following conditions have been met:
  - 1. The agreement to waive specific provisions is in writing and identifies the specific provisions to be waived; and
  - 2. The agreement may not appear in a standard form written lease or rental agreement; and
  - 3. The attorney for the tenant has approved in writing the agreement as complying with subsections B.1 and B.2 of this section.

# 5.52.060 Effect on Existing Lease Provisions.

Any notice of rent increases lawfully given to an existing tenant prior to the effective date of this ordinance shall be deemed valid. Otherwise, the notice provisions of IMC 5.52.030 apply to all rental agreements as of the effective date of the ordinance enacting these code provisions.

SECTION 3. <u>Severability.</u> If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

SECTION 4. <u>Effective Date</u>. This ordinance is subject to referendum as set forth in RCW 35.21.706 and shall take effect and be in force thirty days from and after its passage, as provided by law. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City

Passed by the City Council of the City of Issaquah, the day of , 2022.

Approved by the Mayor of the City of Issaquah, the day of , 2022.

MARY LOU PAULY, MAYOR

ATTEST/AUTHENTICATED:

TISHA GIESER, CITY CLERK

APPROVED AS TO FORM:

PUBLISHED: EFFECTIVE DATE: ORDINANCE NO.: / AB

RACHEL BENDER TURPIN, CITY ATTORNEY