



Legislative Report

Your guide to State legislative actions in Week 8

It's the bottom of the 9th inning in Olympia this week. Thursday, March 8 marks the end of the 2018 regular session.

Any bill that survived this session needed to pass the opposite chamber by Friday March 2 at 5:00 p.m., unless it is necessary implement the budget. If the bill did not pass, the bill is considered 'dead' for this session. If the bill is necessary to implement the budget, it remains on life support through the end of the day Thursday.

Both the House and Senate have released their supplemental budget proposals. The House version includes a new Capital Gains Tax that would seek to swap certain property tax increases resulting from the McCleary fix. [Here's a breakdown and comparison of the budget proposals.](#)

State legislative Actions

[Document Recording Fees Increase.](#) The Senate passed Rep. Nicole Macri's (D-43rd) bill which makes permanent a \$22 document recording fee surcharge and provides a local option surcharge as well. This bill maintains the set aside for private market rental assistance but extends it to non-profit entities providing rental housing.

[Source of Income Protections.](#) On March 1, under the cover of the Legislature's public disclosure fiasco, the Senate passed an amended version of the source of income legislation. Because the bill was amended in the Senate, it must be voted on by the House one more time; this process is called concurrence. Here's a summary of the legislation:

Source of Income Protections

The legislation makes it illegal to deny an applicant of rental housing solely because they intend to pay their rent with a rental subsidy or alternative source of income. The law also prohibits advertising exclusions based on income (e.g. 'no section 8'). [14 jurisdictions across Washington State](#) have similar

laws already in place, and Renton intends on 'strengthening' their law for some unknown reason.

In order to deny tenancy based solely on an individual's source of income, (1) the source of income must be conditioned on passing an inspection, and (2) necessary repairs resulting from the inspection must exceed \$1,500, and (3) the housing provider must not have received funds from the Landlord Mitigation Fund to make repairs.

Rent-to-Income Ratio Requirements

When considering whether an applicant qualifies using a rent-to-income ratio, any voucher or subsidy must be deducted prior to calculating rent-to-income ratio. What's a good rule of thumb on whether a source of income is a subsidy or income? Consider whether the source of income is paid directly from the provider to the rental housing provider, or whether there are restrictions or limitations on the use of funds. If the answer is yes, this is likely a subsidy and should be subtracted from the rent prior to calculating any rent-to-income ratio.

Landlord Mitigation Fund Access

The law also creates the Landlord Mitigation Program in statute and provides a permanent funding stream through an increase of one document recording fee surcharge. The Landlord Mitigation Fund can be accessed to:

1. Reimburse up to \$1,000 in repairs in order to rent to a voucher recipient. If repairs exceed \$1,500 in order to pass a subsidy provider's inspection, the housing provider is not required to make repairs or rent to the subsidized tenant.
2. Reimburse the housing provider for up to 14 days of lost rent due to inspection delay from a housing authority or other subsidy provider.

3. Reimburse housing providers up to \$5,000 in damages, including unpaid rent and unpaid utilities, as a result of renting to a subsidized tenant. A claim can be made directly to the Department or the housing provider can choose to seek a judgment through an appropriate court and submit the judgment.

Are you interested in learning more about the new source of income law and accessing the Landlord Mitigation Fund, WMFHA's March [Fair Housing Friday topic is Source of Income & Accessing the Landlord Mitigation Fund](#).

Local Legislative Actions

Seattle considers [restricting the use of rent bidding sites](#). A hearing is scheduled for Thursday March 8, 2018.

Seattle is also considering amendments to the land use code to reduce parking requirements in new construction and mandate parking charges be separated from the cost of multifamily rental units. [The ordinance can be found here](#).

The City of Kent is [considering a rental inspection program](#).

Your Voice Matters! Have you completed the University of Washington survey regarding rental housing in Seattle? [Complete the survey now](#).

WMFHA PAC

2018 is another big year in legislative elections. All members of the State House of Representatives will seek re-election and with a small democratic majority, the House provides the best opportunity to restore balance of power in the legislature. Your contributions to the WMFHA PAC help us secure victories for public officials across the State. The past success of the WMFHA PAC has shown that WMFHA is a respected organization among elected officials and plays a crucial role in the development and passage of legislation important to our industry.

[Contribute to the WMFHA PAC here anytime](#).

We urge your continued support of the WMFHA PAC and support for candidates whose political views align with the multi-family apartment industry.

The WMFHA Government Affairs Team

WMFHA takes pride in representing our members before the State Legislature. Our presence is sought and respected by members of both political parties because of the professionalism, knowledge and constructive dialogue we bring to the table. We thank all of you for your commitment to the industry, your professionalism and being a part of our team.



WMFHA Day on the Hill, January 31, 2018

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