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Tacoma Measure 1 & Tacoma Rental Housing Code

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Your WMFHA Advocacy Team



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Disclaimer

This presentation discusses the City of Tacoma's Landlord Fairness Code Initiative as of December 5, 2023.

This presentation contains information and best practices on the laws in the City of Tacoma. The laws are open to interpretation and may be interpreted differently based on different experiences inside and out of the courtroom.

The information provided in today's presentation is not legal advice and should not be construed as legal advice. If you are considering a financial decision that may be affected by Tacoma's Landlord Fairness Code Initiative, please consult with your attorney.

New Definitions

- “Child” or “student” means any person either under the age of 18 years or currently enrolled in a school.



New Definitions

- “Educator” means any person who works at a school as an employee or independent contractor of the school or its governing body, including but not limited to all teachers, substitute teachers, paraprofessionals, substitute paraprofessionals, administrators, administrative staff, counselors, social workers, psychologists, school nurses, speech pathologists, custodians, cafeteria workers, and maintenance workers.



New Definitions

- “School year” means the period from (and including) the first day of the academic year to the last day of the academic year, as set by Tacoma Public Schools, or its successor, on its calendar for first through twelfth grade students.
 - If for those grades there are multiple dates for the first day or last day of the academic year, the earliest and latest dates, respectively, shall define the period.



Updates

Measure 1 is being codified into as the
Landlord Fairness Code Initiative
as Chapter 1.100 in the Tacoma Municipal Code (TMC).

Going forward, we will no longer use the term "Measure 1." Instead, we will call this new law the "Landlord Fairness Code Initiative."

The Landlord Fairness Code Initiative to go into effect on Friday, December 8th, 2023. It will complement the Rental Housing Code, which was updated in July 2023 (TMC 1.95).

Information Distribution

Under the Rental Housing Code (TMC 1.95), landlords are required to distribute the following information:

- At the time of application, the landlord shall provide the prospective tenant with the written criteria AND
- Information on a tenant's right to pay security deposit, non-refundable move-in fees and last months' rent (LMR) in installments.
- A landlord shall provide a form, created by the City, to the tenant to request to pay security deposit, non-refundable move-in fees and LMR in installments.

Enforcement: City & Court

Tenant Screening

Under the Rental Housing Code (TMC 1.95), when screening a potential tenant, landlords:

- Cannot require a Social Security Number
- May deny based on a charge or conviction for:
 - Sex offenses under RCW 9A.44
 - Arson
 - Violent offence against landlord, employees, or other tenants
 - Manufacture, sale, or distribution of controlled substances



Enforcement: City & Court

Tenant Screening

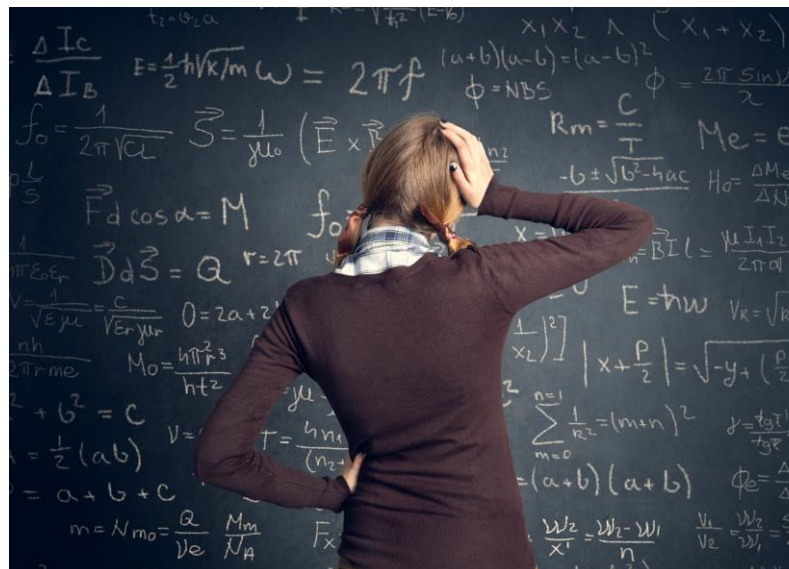
- Applicants can choose who to name as the financially responsible party. Landlord may not screen an occupant for financial responsibility.



Enforcement: City & Court

Tenant Screening

- Income to rent ratio:
 - 3X the rent when the monthly rent amount is BELOW HUD FMR
 - 2.5X the rent when the monthly rent is AT or ABOVE the HUD FMR.
 - If co-signer is a friend or family member, income limited to 3X the rent



Enforcement: City & Court

Rental Agreement

Under the Rental Housing Code (TMC 1.95), rental agreements or renewals cannot impose penalties designated as “additional rent” or fees when a tenant terminates the tenancy pursuant to law and vacates before the expiration of any minimum term for a month-to-month tenancy.

- Any rental agreement or renewal on or after July 23rd, 2023 shall include:
 - Describe the number of occupants allowed to occupy the unit as outlined in TMC 2.01.060 V.
 - Describe uninhabitable space such as attic, basements, and garages that have not been properly permitted for occupancy.
 - Include the name and a physical address of the landlord, in addition to any rental portals or online tools to pay rent, make request for repairs and file complaints.
 - The tenant may propose that the date rent is due be altered. Landlord shall consider such proposal if it is submitted in writing and the tenant can show that their primary income is from government assistance and is not received until after rent is due.

Enforcement: City & Court

Installment Payments

Under the Rental Housing Code (TMC 1.95):

- Installment payments are not required if the security deposit is 25% or less of a full month's rent and if the Last Month's Rent (LMR) is not required
- Leases six months or longer: pay security deposit and non-refundable move-in fees and LMR in 6 consecutive, equal payments.



Enforcement: City & Court

Installment Payments

Under the Rental Housing Code (TMC 1.95):

- Leases 3-5 months: pay security deposit and non-refundable move-in fees and LMR in 3 consecutive, equal payments.
- Month-to-month: pay security deposit and non-refundable move-in fees in 2 consecutive, equal payments. LMR may be paid in six consecutive, equal payments.
- LMR is required to be held in a trust account.

Enforcement: City & Court



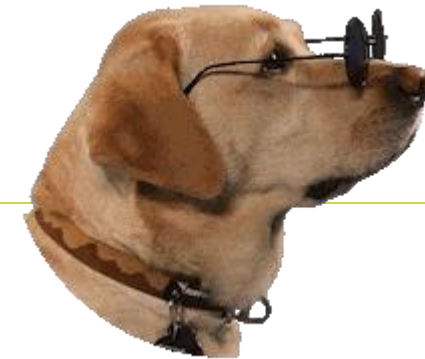
Move-in Fees

“Move-in fees” include all charges imposed by the landlord on a tenant prior to taking possession of a dwelling unit, or as a condition of maintaining residency, including but not limited to fees required to apply for tenancy (including processing fees and credit and background check charges), security deposits, prepayment of rent (e.g., “last month’s rent”), but excluding a valid pet fee.

- A rental agreement is held void if it requires payment of fees prohibited by this section

Enforcement: City & Court

Pet Deposits



Under Rental Housing Code (TMC 1.95):

- Landlords cannot have restrictions on breed unless required by their insurance company

Under Landlord Fairness Code (TMC 1.100):

- Cannot charge a pet damage deposit exceeding 25% of one month's rent or if landlord can retain any part of the pet deposit exceeding actual costs of repair for pet damage.
- Landlords may still charge valid pet fees.

Enforcement: City & Court

Security Deposit

- All move-in fees, including security deposits, are **capped at 1 month's rent.**



Enforcement: City & Court

Late Fees



Tacoma Rental Housing Code (TMC 1.95):

- Cap of 1.5% of unpaid rent, not to exceed \$75
- No fees for service of notice or legal costs
- Provide a quarterly notice of late fees and how to pay

Tacoma Landlord Fairness Code Initiative (TMC 1.100):

- Fees for late payment are capped at \$10 per month

Enforcement: City & Court

Rent Increase Notices

Rental Housing Code (TMC 1.95):

- 1 notice 120 days before rent increase with amount, %, and effective date.
- Must have current Tacoma Rental Business License.
- Required to be process served as per RCW 59.12.040.

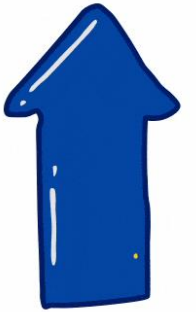
Landlord Fairness Code Initiative (TMC 1.100), landlord gives **2 notices**:

- 1st notice between 210-180 days before increase
- 2nd notice between 120-90 days before increase

If a tenant provides written notice of uninhabitability to the landlord, the landlord must remedy the tenant's claim and give notice to the tenant and to the city on the remedy before rent can be increased.

Notices must include actual dollar amount of rent increase, description of rental relocation assistance program, and how the relocation assistance payment will be calculated.

Enforcement: City & Court



Relocation Assistance

Any time after receiving a 180-day notice of rent increase of 5% or more, a tenant that decides to relocate may send their landlord a request for relocation assistance. Landlord must pay the relocation assistance within 30 days of request.

Relocation assistance shall be equal to:

- 2 months' rent if rent increases between 5% and 7.5%
- 2.5 months' rent if rent increases between 7.5% and 10%
- 3 months' rent if rent increases over 10%



Enforcement: Court

Relocation Assistance

If tenant doesn't move, relocation assistance must be repaid
relocation assistance does not apply to:

- Landlord and tenant living on the same site if the site has 4 or fewer dwelling units
- Tenants living in the dwelling unit for less than 6 months
- Landlord that rents out their principal residence because of active-duty military service



Enforcement: Court

School Year Eviction Ban



Under Tacoma Rental Housing Code (July 2023):

- Landlord must have current Tacoma Rental Business License

Under Landlord Fairness Code:

It shall be a defense to an eviction if the tenant is required to vacate their dwelling unit during the school year **(1st day to last day of the student's school academic year)** and the tenant or any resident in the unit is a:

- Child
- Person having legal custody of a child or student
- Educator

Enforcement: City & Court

Winter Eviction Ban

It shall be a defense to an eviction if the tenant is required to vacate their unit between **November 1st and April 1st.**

Does not apply in the following conditions described in TMC 1.95.070C:

- Owner or family of owner to occupy the unit
- Condemnation or uninhabitability
- Desire for roommate to vacate
- Sexual harassment by tenant
- Tenant's failure to comply with a 3-day or 10-day notice to vacate for a drug-related activity
- Unlawful business
- Imminent threat to the health of safety of other tenants or the landlord
- Excessive waste or nuisance
- If non-eviction produces undue or significant hardship on landlord

Enforcement: Court

New Protected Classes (for Evictions)

It is a defense against eviction for a landlord to evict a tenant based on the tenant's status as a:

- Member of the military
- First responder
- Senior
- Family member
- Health care provider
- Educator



It is a defense against eviction for a landlord to evict a tenant or their immediate family member based upon a tenant's immediate family members residing in the unit.

Enforcement: Court

Penalties

Any landlord who violates the ruled laid out in Measure 1 will be liable for penalties of not less than \$500 and **up to 5X the monthly rent** of the unit at issue, **per violation**.

Renters can seek remedies by working with private attorneys or tenant rights organizations.



Enforcement: Court

What we can expect...

1. Many small landlords may sell
2. Residents will take advantage of LFCI
3. More lawsuits filed against landlords
4. Legal challenges unlikely to bring change
5. State-level bill by Sen. Yasmin Trudeau (D-27)
6. **2-year moratorium on changes to LFCI**

What's next

1. The Landlord Fairness Code Initiative will be codified into law on December 8th.

Let Your Voice Be Heard

Day On The Hill—January 30, 2024

Register at wmfha.org



ADVOCACY IN ACTION

Join WMFHA for our annual *Day on the Hill* at the State Capitol in Olympia, **Tuesday January 30, 2024**. This is your opportunity to meet one-on-one with lawmakers and advocate about the critical role multi-family housing plays in our state's economy. At *Day on the Hill*, you'll meet with state elected officials who represent you and your business to discuss the important policies and issues being considered by the Legislature and that matter most to our industry.

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Renting in Tacoma: New Code Information Sessions

Link to video available on-demand on the City's website starting December 8

www.cityoftacoma.org

www.wmfha.org

