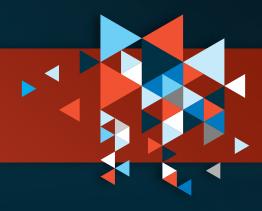
Track E



RENTAL ONS OPERATIONS

Navigating Laws & Strategies



Track B

RENTAL OPERATIONS



Solving Lease Timing Puzzes In a Legal Minefield (RLTA)

Kaitlyn Jackson + Denise Myers | Rooms 407-8 | 2 – 2:45pm







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Kaitlyn Jackson

Vice President of Legal & Risk Management, Devco Residential Group





Denise Myers

Member Programs Director, **RHAWA**

Denise works with other staff and dozens of member volunteers to produce member programs and resources, including live classes and workshops, certificate courses, on-demand education, rental forms, and self-help articles available in our Support Center.



JEGTIVES

LEARNING LAB

1. Gain confidence in using RHAWA tools to plan and implement lease renewals in order to maintain exemption from just cause termination rules.

2. Discuss and share best practices for managing the logistics of keeping tenancies in exempt fixed terms.

Solving Lease Timing Puzzles

In a Legal Minefield



OVERVIEW

Review handouts on the laws. (15 min)

Split into groups to discuss one of the three goals.

Groups will discuss & prepare to present answers. (10 minutes)

Groups will share results and discuss.

Review Key Takeaways.



OVERVIEW LEARNING LAB

Leasing Goal Options:

- A. Easy Process
- **B. No Winter Turnovers!**
- C. Most Flexibility

Questions:

- How long should the first term be?
- How would you communicate expectations with the tenant?
- What notices are required and when?
- What are the risks? (Include variations for cities represented by your group.)

Initial Terms + Notice Forms

Three Exempt Options:

Initial agreement is fixed term of 6 to 12 months and converts to M2M at end of term.

Initial agreement is a term of 6 months or more, NOT converting to M2M.

Initial agreement is a term of 12 months or more, NOT converting to M2M.

Can terminate without cause ONLY at the end of the INITIAL TERM.

Can terminate without cause at the end of **ANY** term if you continually renew the lease with terms of **6+ months**.

Can terminate without cause at the end of **ANY** term if you continually renew the lease with terms of **ANY** length.

RCW 59.18.650(1)(b)

RCW 59.18.650(1)(c)

RHAWA Forms:

- 1. Term Leases (SF or MF)
- 2. Rental Agreements (SF or MF)
- 3. End of Term Notice / Lease R60-day renewal
- 4. 60-day End of Term Notice / MTM Conversion
- 5. 60-day End of Term Notice, No Renewal
- 6. 90-day Rent and Fee Increase Notice to Tenant
- 7. 20-120 End of Tenancy Notice with Cause

Lease Renewal Notice

RCW 59.18.650

- Serve End of Term Notice more than 60 days in advance.
- If increasing rent, ALSO serve the rent increase notice more than 90 days before the increase goes into effect
- Tenant must sign by the end of the term or vacate (cause "k").
- Landlord must comply with any longer rent increase notice periods required by the local government.
- Burien, Federal Way, SeaTac, Seattle, and King County (unincorporated) do not allow ending a term lease tenancy without cause. However, you can still enforce fixed terms and end tenancy if the tenant does not accept the lease offer.
- Seattle requires a lease renewal notice between 60 and 90 days. This means two notices when raising rent (180 days required).



- Offer lease renewals informally well before the 60-day deadline or with a 90-day rent increase notice.
- If the tenant signs new terms prior to 60 days before the end of the term, and there is no rent increase, there is no need to serve the notice.
- Explain the legal notice change to tenants.
- Schedule a meeting and try to serve all in person.
- Be consistent across all tenants on a property.
- Have a method to keep track of upcoming lease renewals with time for required notices.
- Use third-party mail metering tools (e.g., Pitney-Bowes, Stamps.com).

Renewals with Increases

City of Seattle Law

ENVELOPE 1 6 months +

RENT INCREASE More than 180 days'

notice

ENVELOPE 2 2 - 3 months

LEASE RENEWAL Between 60 and 90 days' notice. **State Law**

ONE ENVELOPE 4 - 6 months +

More than 120 or 180 days' notice.

RENT

LEASE RENEWALMore than 60 days' notice.

Other City Laws*

ONE ENVELOPE
3 months +

RENT INCREASE More than 90 days' notice.

LEASE RENEWALMore than 60 days' notice.

Always serve **BOTH** forms.

*When a longer rent increase is required, you may want to wait and offer a lease renewal later (like in Seattle) to allow for decreasing rent or deciding not to renew.

Rent Increase Notices

WA STATE LAW

RCW 59.18.140 + HB 1217

- Give notice 90 days prior to the first day of the term/month when the increase will go into effect
- Notice must be <u>served</u> per RCW 59.12.040, certified mail + 5 days.
- Statutory form (like RHAWA) must be used.
- No increase in the first 12 months; only one increase each 12 months thereafter
- When incentivizing a longer term (or lease over MTM), the only legal option is a rent discount up to 5%, with the higher offer under the rent cap.
- Cap set each year = 7% plus Seattle CPI. 2025 cap = 10%; 2026 cap = 9.683%.
- **MHLTA** cap = 5%.

Issaquah, King County, Kenmore, Kirkland, Redmond, SeaTac, Woodinville	+ LOCAL LAW ADDITIONS City limits superseded by WA State law are not shown.
	120 days > 3% (RLTA and MHLTA)
Port Townsend	120 days > 3%
Shoreline	120 days > 3%; 90 days for optional rent
Tumwater	120 days > 5% or 180 days =10%
Olympia	120 days >5% or 180 days=10% (≥7% EDRA)
Auburn	120 days > 5%
Bellingham	120 days any amount (≥8% EDRA)
Spokane	120 days ≤3% or 180 days >3%
Seattle	180 days any amount (10% EDRA)
Tacoma	210-180 days + 120-90 days (≥5% EDRA)

Serving Notices

PREPARE NOTICE

Make two copies of the notice for each person listed at the top (one to leave at the residence and one to mail. each in a separate envelope).

"All other occupants." It is optional but highly recommended.

SERVICE IS REQUIRED | OPTIONAL

- **Abandonment**
- **Abandoned Property**
- Default (Pay, Comply, Quit)
- End of Term (any type)
- End of Tenancy with Cause
- **Entry to Premises**
- Rent Increase (5/7, HB 1217)
- **Rules or Management** Change

1. Knock or ring the bell & wait for an answer.



RENT AND FEE INCREASE NOTICE TO TENANT

Options **A** or **B** if someone answers.



Place one copy in hand of each resident + one extra.

Mailing to each

OPTIONAL but

recommended.

resident is



Give a copy for each resident to one person of reasonable age if no one else is home.



Mailing to each resident is REQUIRED.

Option **C** if **NO ONE** answers.



Post conspicuously on the door.



Mailing to each resident is **REQUIRED**.



Fall Expo + Annual Business Meeting



REBECCA RESIDENT

2. Send via Certified Mail from within WA.

3. Complete "Declaration of Service" same day & file with original notice, + any other proof of service.

LEARNING LAB

GROUPS







Easy Process

You do not want keep track of lease renewals over time, but want to have a "trial period" for new tenants where you can end a tenancy without cause.

No Winter Turnovers!

You want to be able to adjust term lengths when needed so that turnovers usually land between April and September.

Most Flexibility

You do not mind extra administrative burden if you are free to terminate a tenancy with the most flexibility year over year.



LEARNING LAB DISCUSS

How long should the first term be?

How to communicate expectations with the tenant?

What notices are required and when?

What are the risks?

Variations for cities in your group.



Key Takeaways

- Errors in rent increase notices could cost tens of thousands in a future eviction or other tenant dispute. Make sure you are doing it correctly and KEEP ALL THE RECORDS!
- Local legislatures have a lot of control over your property rights and can change laws on a whim. Get to know them personally!
- To limit exposure to fair housing complaints, settle on a leasing policy and procedure and be consistent.
- How can we make this better? Talk to your legislators check with RHAWA's Government Affairs team for specific targeted action









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