

*Washington State lacks affordable housing...*

# SMART POLICY SOLUTIONS REQUIRE INCLUSIVE INDUSTRY PARTNERSHIPS

## SENATE BILL 5600

Sponsor: Sen. Kuderer (D-48) / Housing Stability & Affordability

Increases the notice requirements for nonpayment of rent, limits return of possession of property to non-payment of rent only, provides no enforcement mechanism and limits recovery for property owners to collect contractually obligated costs, including utilities, and allows tenancies to be reinstated after a court judgment against the tenant for non-payment.

## HOUSE BILL 1453

Sponsor: Rep. Macri (D-43) / Civil Rights & Judiciary

Increases the notice requirements for nonpayment of rent, prohibits a landlord from offering fixed-term tenancies, limits return of possession of property to non-payment of rent only, provides no enforcement mechanism and limits recovery for property owners to collect contractually obligated costs, including utilities & fundamentally redrafts the summons and complaint, and allows tenancies to be reinstated after a court judgment against the tenant for non-payment.

### ARGUMENTS AGAINST SB 5600 / HB 1453

#### Extension of notice to pay or vacate period significantly increases risks and costs to owners and tenants

- Creates a drawn-out notice for performance of the basic tenant obligation to pay rent.
- Significantly increases the expenses to the property owner with no effect and at no cost or risk to the tenant who would pay only rent owing initially.
- Substantially increases the costs to turn and make-ready a unit when a vacancy exists resulting in higher costs to tenants.

#### Bans landlords from "self-maintenance" of the property, increasing costs to tenants

- Requiring receipts and / or estimates for any deductions from a security deposit precludes landlords from performing their own maintenance at a property.
- Rents will increase, and deposit refund amounts to tenants will decrease, due to having to hire professionals at market rate for maintenance and repairs.

#### Requires all leases to be renewed or convert to month-to-month upon expiration of a fixed term

- Would greatly harm landlords who plan lease renewals per the industry's business cycle, or who set a lease agreement to expire at a planned date to allow for rehabilitation or sale.
- Opens the door to "Just Cause" laws which forces tenancies to extend and prolongs problem tenancies – the industry is non-negotiable in our position against Just Cause.

#### Delays unlawful detainer for non-rent issues allowing disputes to drag out

- Requires courts to stop an eviction to allow a renter time to cure conditions "capable of cure," permitting tenants to continue to victimize and harass neighbors well past the statutory notice period.

#### Reduces the chances of underqualified tenants finding housing opportunities

- The provisions of this bill will force landlords to raise their screening criteria standards to reduce the chance that an applicant could fall behind on rent or fail to perform to the lease terms.
- The provisions of this bill will reduce the working relationship property owners and tenants engage in prior to service of formal notice.

## PROTECTING TENANTS IN RESIDENTIAL TENANCIES

### HOUSE BILL 1656 / SENATE BILL 5733

Sponsors: Rep. Macri (D-43) / House Civil Rights & Judiciary

Sen. Rebecca Saldaña (D-37) / Senate Financial Institutions, Economic Development & Trade

Creates a strict “just cause” standard requiring the landlord to prove with specificity cause to expel a tenant, expands RLTA protections to guests of tenants who reside with the tenant for 6 months or more; increases the notice required to increase rent to 60 days; requires property owners to use third parties to complete repairs and damages at the end of a tenancy and provide estimates and receipts of repairs with return of security deposit.

#### ARGUMENTS AGAINST HB 1656

- Just Cause provisions do not address the most frequent cause of an eviction filing – non-payment of rent – or termination of tenants as a result of the owners desire to improve or occupy the property.
- Just Cause provisions restrict a landlords’ ability to timely remedy problem tenants whose behavior endangers the peaceful enjoyment, health, safety, and welfare of other tenants and neighboring residents.
- Increases risk to the property owner by permitting an extremely long period to cure what may be seriously disruptive or damaging behavior.
- Places undue restrictions on property owners interest in their property by limiting termination when the tenant is disabled or aged 60 years or older.
- Requires distribution of permits and approval when terminating a tenant resulting from renovation or demolition of a rental property without consideration of the substantial differences local jurisdictions’ requirements, manner, sequence, schedule for issuing such approvals
- Requiring third party repair of damage caused by the tenancy increases the cost of the repair and unduly delays repair and reletting of the property to future tenants. Limits on-site maintenance personnel from completing repairs in a timely and efficient manner.
- Prohibits access to a dedicated home for on-site manager or on-site maintenance personnel when prior employee is terminated.
- Permitting individuals to reside in a rental without a rental agreement increases substantially increases the risk to a property owner of being unable to collect rent from the occupants, and engaging in a long and protracted ejection action to remove the unauthorized occupants.

### HOUSE BILL 1446

Sponsor: Rep. Jinkins (D-27) / Civil Rights & Judiciary

Requires mandatory mediation prior to commencing an unlawful detainer action; increases the notice to terminate to 30 days, permits a right to cure of lease agreement violations; removes gang-related activity as a basis to terminate a residential tenancy.

#### ARGUMENTS AGAINST HB 1446

- Mediation is already permitted by the Residential Landlord-Tenant Act by voluntary agreement.
- Mediation is costly for the property owner and the tenant and rarely results in a successful outcome.
- Increases risk to the property owner by permitting an extremely long period to cure what may be seriously disruptive or damaging behavior.
- Unnecessarily delays determination of a termination by requiring a 30-day notice to terminate and mediation, following by a week’s long unlawful detainer action.

#### OTHER BILLS OPPOSED INCLUDE

##### HB 1694

Allowing tenants to pay monies owed to landlords in installments

- Requires owners / managers to accept payment plans on move-in fees including damage deposit, non-refundable fees, and last month’s rent, if the tenant requests it in writing.

##### ARGUMENTS AGAINST HB 1694

- Owners and managers charge move-in fees, especially deposits to mitigate risk for high risk tenants, limiting an owner/manager(s) ability to use this tool will reduce access to affordable housing for high risk tenants who have low credit scores, recent evictions, etc.
- Payment plans on move-in fees will reduce access to affordable housing as it will increase overall cost of deposits and move-in fees. Washington State renters will experience an increase in being required to pay last month’s rent in advance, as many rental owners/ managers do not currently require advanced payment of last month’s rent.

##### HB 1440

Increasing the notice required for a rent increase

- Changes the notice period for raising rent in month-to-month tenancies from 30 to 60 days

##### ARGUMENTS AGAINST HB 1440

- Owners may encounter operating cost increases with less than 60 days’ notice, and in those circumstances need flexibility to cover those costs with a standard 30 day increase.
- A prolonged rent increase time-period increases the likelihood that landlords will require last month’s rent, which could present additional costs to tenants at move-in.
- Allowing 60 days for increases over 10%, would give long-standing tenants more time to plan for larger rent increases.

# Washington State lacks affordable housing... WE CAN SOLVE IT.

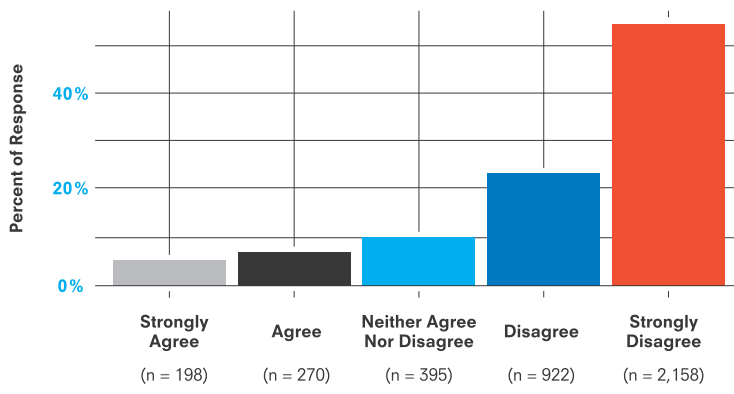
We recognize the important role rental housing plays in our communities and the important need for rental housing across Washington State.

We also recognize that reasonable changes need to be made to provide tenants an opportunity to determine whether they can remain in their rental home as market conditions fluctuate through economic cycles. This package balances the needs of tenants and the increasing costs to property owners. It also provides needed to protections to tenants in Washington State against situations that often affect the most marginalized neighbors in our community.

Property owners seek partnerships in assisting renters in remaining housed and recognize the important role rental assistance programs play in diverting individuals and families from homelessness and remaining in their home.

## AGREEMENT THAT SEATTLE OFFICIALS CONSIDER LANDLORDS' PERSPECTIVE IN DEVELOPING ORDINANCES <sup>1</sup>

Respondent believes that landlord perspectives are considered in policy



<sup>1</sup> Crowder, Kyle. *Seattle Rental Housing Study*. Seattle: University of Washington, June 2018. Print.

### HOUSE BILL 1460

SUPPORT

Rent Increase Notices

Sponsor: Rep. Barkis (R-2) / Civil Rights & Judiciary

- Requires landlord to provide 60 days' notice for rent increases over 10%.
- Rent increases of 10% or more are rare. In Seattle, in the prior 17 years, less than 2% of apartment buildings with affordable units increased rent more than 10% year-over-year.

### HOUSE BILL 1461

SUPPORT

Tenancy Termination Notices

Sponsor: Rep. Barkis (R-2) / Civil Rights & Judiciary

- Changes reciprocal termination in RCW 59.18.200 from 20 days to 30 days for month-to-month tenancies.

### HOUSE BILL 1462

SUPPORT

Sponsor: Rep. Barkis (R-2) / Civil Rights & Judiciary

Providing notice of plans to demolish, substantially rehabilitate, or change use of residential premises.

- Requires landlords to provide 120 days notice for termination of month-to-month tenancies when the landlord plans to demolish or substantially rehabilitate the property.
- Addresses an issue where low income tenants are displaced with short notice and limited resources to relocate from their current home.

### HOUSE BILL 1463

SUPPORT

Sponsor: Rep. Barkis (R-2) / Civil Rights & Judiciary

Changing notice requirements with respect to tenancies in order to enhance stability for tenants.

- Increase the notice to pay or vacate from 3 to 5 days.
- Allows for the inclusion of charges other than rent in pay or vacate notice.
- Decreases the notice to comply with the provision in the lease from 10 to 5 days.
- Requires landlords to provide housing information guide, maintained by the Department of Commerce, describing the statutory duties of landlords and tenants, and the availability of low-cost legal services at the commencement of the tenancy and when serving a notice to pay or vacate or comply or vacate.

### HOUSE BILL 1705

SUPPORT

Sponsor: Rep. Dufault (R-15) / Civil Rights & Judiciary

Charging an owner or placing a lien against the owner's property for utility services provided & billed to a tenant.

- Requires simultaneous notification of delinquency in utility payment by a tenant in a rental unit by the utility entity to the tenant and the owner of the property
- Protects the owner from being held responsible for a delinquent utility bill.