



Renting in Tacoma



Landlord Fairness Code Initiative AND Rental Housing Code

City of Tacoma – Office of Equity & Human Rights – December 4, 2023 presentation

Background

February 2019: Tacoma Rental Housing Code, TMC 1.95 (RHC) went into effect to provide protections for tenants and provide specific guidance to landlords

November 2021: RHC adds Just Cause Eviction standards, requiring a landlord to provide 1 of 16 specific justifications for filing an eviction.

July 11, 2023: The City of Tacoma updated its Rental Housing Code. ***Changes will be discussed in this presentation.*** They went into effect on July 24th.

December 8, 2023: The Landlord Fairness Code Initiative (LFCI), TMC 1.100 (Measure 1,) goes into effect.

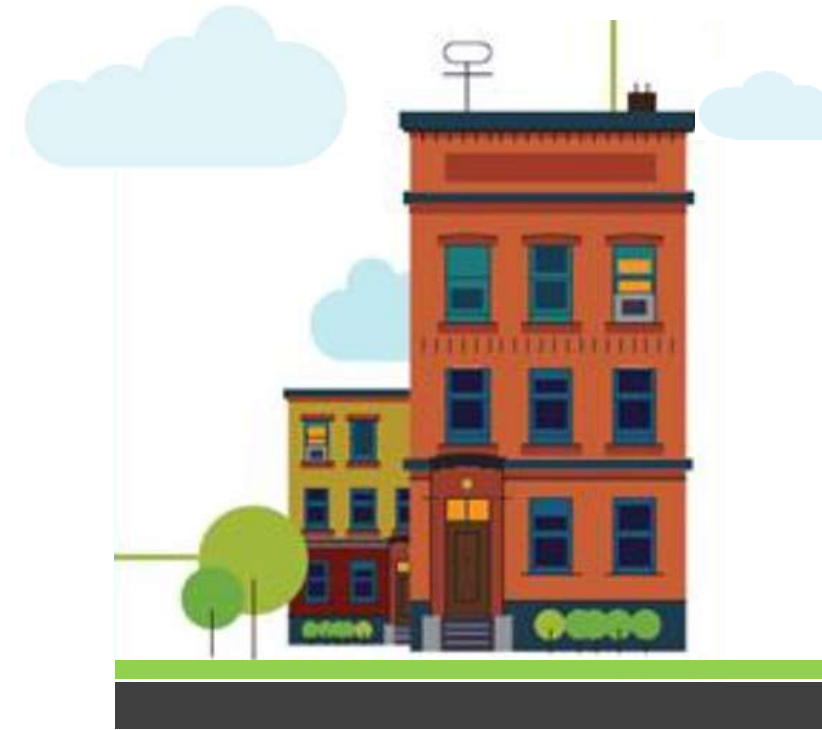


Summary of Recent Updates, I

Recent City Rental Housing Code Updates

Effective July 24, 2023, the City updated its **Rental Housing Code (RHC)**, strengthening requirements around:

- Notices to increase rent
- Shared housing standards
- Standards for fees and deposits
- Business license, health and safety requirements
- Rental agreement regulations, and
- Standardized tenant screening criteria.



Summary of Recent Updates, II

Landlord Fairness Code Initiative (LFCI)

The Landlord Fairness Code Initiative (TMC 1.100) establishes requirements around:

- Notices to increase rent
- Move-in costs, pet fees
- Late fees
- Evictions
- Relocation assistance
- Health and safety requirements, and
- Enforcement and penalties.



Integrating RHC and LFCI

The Landlord Fairness Code Initiative does not replace the Rental Housing Code. It does provide additional protections and expand on certain protections under the RHC.

Both codes will be in effect and landlords are required to comply with both.

Landlords are required to comply with the following:

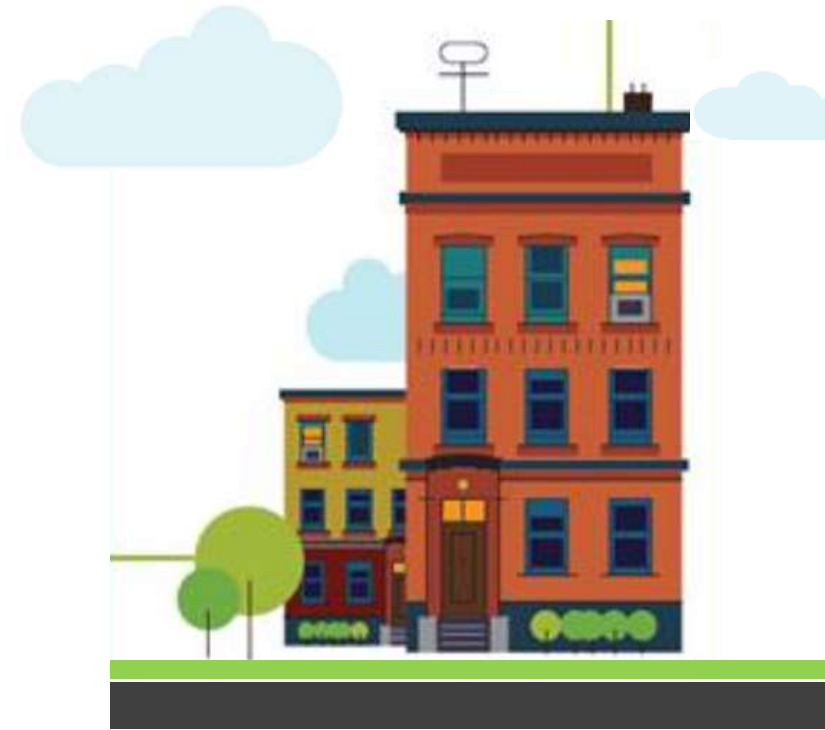
- Washington State Residential Landlord-Tenant Act (RCW 59.18, RLTA)
- Rental Housing Code (TMC 1.95, RHC)
- Landlord Fairness Code Initiative (TMC 1.100, LFCI)



City of Tacoma **Rental Housing Code**

**Updates Adopted
July 11, 2023**

(effective July 24, 2023)



Tenant Screening Criteria

Per TMC 1.95.030- At the time of application the landlord must provide perspective tenant with:

- Written rental criteria based on their business practice.
- Information on the tenant's right to pay deposits, non-refundable move-in fees, and last month rent in installments.
- Rental Housing Code website to access information on code violations, findings or settlements related to housing discrimination under TMC 1.29, and information on registering to vote.

RHC website www.cityoftacoma.org/rentalhousingcode



Tenant Screening Criteria

Per 1.95.035, landlords:

- Cannot place blanket bans on prospective tenants with felony or drug convictions, and arrest records.
- Cannot require a Social Security Number as the only way to conduct screening. Alternative proof to establish eligibility must be accepted.
- Must conduct an individual assessment on the tenant's criminal history such as type and severity of offense and how long ago the offense occurred.

NOTE: Landlords can deny tenancy for criminal history based on a pending charge of conviction for sex offences, violent crimes, arson, manufacturing, sale or distribution of drugs or unlawful use of building for drugs.



Tenant Screening Criteria

Per TMC 1.95.035, landlords cannot:

Exceed maximum income-to-rent ratios when determining eligibility.

- If monthly rent is BELOW HUD Fair Market Rent(FMR) the income-to-rent ratio would be 3x's monthly rent (FMR for 2-bedroom is \$1,987 and your rent is \$1,500, the tenant would be required to have a monthly income of \$4,500 to qualify).
- If monthly rent is ABOVE HUD Fair Market Rent(FMR) the income-to-rent ratio would be 2.5x's monthly rent (FMR for 2-bedroom is \$1,987 and your rent is \$2100, the tenant would be required to have an income of \$5,250 to qualify).

NOTE: FMR information will be posted on the RHC webpage, and also available at:

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn



Rental Agreement Regulations

Per TMC 1.95.037, rental agreements must include:

- Number of legal occupants as outlined in TMC 2.01.060.V.
- List uninhabitable spaces such as attics, basements, and garages that have not been properly permitted for occupancy.

Landlords are Prohibited from:

- Assessing penalties or forfeiture of deposit if a tenant terminates the tenancy before expiration of a minimum term month-to-month rental agreement.
- Regulating or restricting dogs based on breeds, unless they have an insurance company-required breed restrictions, provided that any breed of service animal shall be allowed.



Standard for Fees and Deposits

Per TMC 1.95.040-Deposit requirements and installment payments permitted:

- Tenants will have more time to pay move-in fees, depending on length and type of rental agreement.
- Landlords cannot require a pet damage deposit exceeding 25 percent of one month's rent.
- Prohibits landlords from retaining full pet deposit if not used for damages in the unit caused by pet.

Per TMC 1.95.065-Late Fees:

- Late fees cannot exceed 1.5 percent of monthly rent, with a maximum limit of \$75 per month.
- Requires landlords to actively take steps to recover late fees during tenancy by serving quarterly notices or invoices
- Prohibits landlords from withholding late fees from deposits or reporting information regarding late fees to prospective landlords, if late fees were not addressed during tenancy.



Standard for Fees and Deposits

Per TMC 1.95.040-Deposit requirements and installment payments permitted:

- Tenants will have more time to pay move-in fees, depending on length and type of rental agreement.
- Landlords cannot require a pet damage deposit exceeding 25 percent of one month's rent.
- Prohibits landlords from retaining full pet deposit if not used for damages in the unit caused by pet.

Per TMC 1.95.065-Late Fees:

- Late fees cannot exceed 1.5 percent of monthly rent, with a maximum limit of \$75 per month.
- Requires landlords to actively take steps to recover late fees during tenancy by serving quarterly notices or invoices
- Prohibits landlords from withholding late fees from deposits or reporting information regarding late fees to prospective landlords, if late fees were not addressed during tenancy.



Business License, Health, & Safety Requirements

A landlord will not be able to pursue eviction or increase rent without a current City of Tacoma business license or if a dwelling unit does not comply with RCW 59.18.060 and presents conditions that endanger or impair tenant health and safety.



Shared Housing Standards

For shared housing arrangements (where a tenant rents a private room or shared room, but shares common areas such as a kitchen, gathering spaces, and/or bathroom with other tenants), the following requirements will apply:

- The master lease holder must share contact information for any subleasing tenants with the landlord, and the landlord's contact information with any subleasing tenants.
- When renting to four or more tenants, separate rental agreements for each habitable space are required
- The landlord is required to serve any notices that can lead to eviction to the master lease holder and provide the master lease holder with additional copies of notices to serve each subleasing tenant.
- If subleasing tenants are not provided a written notice of eviction, the landlord must allow the subleasing tenants an additional 30 days to vacate after the eviction order is issued, or as ordered by the court.



Notices to Increase Rent

Per TMC 1.95.060, rent increases:

- Require a written notice of at least 120 days for any rent increase before it can go into effect.
- Require that a written notice be served in accordance with RCW 59.12.040.
- Require summary of resources be provided as outlined in TMC 1.95.030
- Prohibit the landlord from charging the tenant for the rent increase notice to be served.

NOTE: Subsidized tenancy under RCW 59.18.140(3) and deed restricted affordable housing only need to provide a 30-day notice of rent increase to their tenants.



Landlord Fairness Code Initiative

effective
December 8, 2023



LFCI effective 12/8:

Rent Increases, Fees and Move-In Costs

Notice to Rent Increase:

- Requires 1st notice to increase rent between 210 and 180 days before the rent increase takes effect.
- Requires 2nd notice between 120 and 90 days before rent increase takes effect.

Late fees:

- Fee for late rent cannot exceed \$10/month.

Move-In Costs:

- Total for all move-in cost cannot exceed one month's rent
- Pet damage deposit cannot exceed 25% of first months' rent and must be refundable if no pet damage is done to the unit.
- Prohibits all other non-refundable fees-except as specifically allowed under state law



LFCI effective 12/8:

Defense of Evictions

The following forms of eviction are prohibited:

- **School-year:** A person having legal custody of a child or student, including but not limited to the child's or student's parent, step-parent, adoptive parent, guardian, foster parent, or custodian; or an educator.
- **Winter Eviction:** requiring the tenant to vacate between November 1 and April 1.
- **Protected classes of tenants:** A tenant cannot be evicted based on their status as a member of the military, first responder, senior, family member, health care provider, or educator.

Exceptions to School Year and Cold Weather Evictions: **owner or immediately family member intends to occupy the unit, unit has been condemned, landlord in shared housing asking a roommate to vacate, sexual harassment by the tenant, drug related nuisance on the premises, waste, nuisance, or unlawful activity on the premises or tenant's conduct has "substantial detrimental impact" or "causes an immediate threat" to the health and safety of other tenants or the owner.**



Renting in Tacoma

NOTE: A landlord can seek court order to be exempted from provisions, and allow eviction, if they can show they would experience “an undue and significant hardship” if the code were enforced.

LFCI effective 12/8:

Relocation Assistance

If the tenant's rent is raised 5% or above and the tenant decides to relocate, the landlord is required to pay relocation assistance in the following amounts:

- If rent increases 5% to 7.5% — 2 times the monthly rent
- If rent increases 7.5% to 10% — 2.5 times the monthly rent
- If rent increases more than 10% — 3 times the monthly rent

In the event that the tenant is unable to relocate and remains in the dwelling unit at the increased rent, the tenant must repay the relocation assistance.

Exemptions: (a) a landlord and tenant living on the same site if the site has four or fewer dwelling units; (b) tenants who have lived in the dwelling unit for less than six months; (c) a landlord that temporarily rents out the landlord's principal residence during the landlord's absence due to active-duty military service.



LFCI effective 12/8:

Health and Safety Standards

Landlords must comply with all tenant protection laws. Landlords in violation of such laws may not increase rent or evict a tenant.

Requires landlords to have no violations under TMC 2.01.050 “Minimum Buildings and Structures Code”, or violations under RCW 59.18.060, which can make the unit uninhabitable.



LFCI effective 12/8:

Enforcement and Penalties

- Landlords who violate this chapter can be liable for penalties of not less than \$500 and up to five times the monthly rent of the dwelling unit at issue, per violation.
- Tenant can sue landlord for violations
- A tenant or organization can sue for injunctive relief



Managing the Differences

[The Landlord Fairness Code Initiative](#) and the [Rental Housing Code](#) have separate and distinct enforcement mechanisms:

- [The Landlord Fairness Code Initiative](#) contains no authorization for administrative enforcement, and its provisions are enforced exclusively by private rights of action. A tenant can seek to enforce the Initiative's provisions regarding late fees and notices of rent through legal actions taken against the landlord.
- [The Rental Housing Code](#) is enforced through City administrative processes. The City may enforce the Rental Housing Code related to its provision for late fees and notices to increase rent.



Managing the Differences

There are two conflicts between the [The Landlord Fairness Code Initiative](#) and the [Rental Housing Code](#) which include:

- **Late Fees:** The Landlord Fairness Code caps late fees at \$10 versus a cap of \$75 in the Rental Housing Code.
- **Rental Increase Notices:** The Landlord Fairness Code requires two notices to increase rent starting at 210 days versus the Rental Housing Code's one notice at 120 days.

NOTE: Landlords are expected to comply with the requirements of the LFCI as it pertains to rent increase notices and late fees.





Renting in Tacoma



Landlord Fairness Code Initiative AND Rental Housing Code

City of Tacoma – Office of Equity & Human Rights – December 4, 2023 presentation