# Rental Housing Code

The City of Tacoma recognizes that the rental market in Tacoma is drastically changing. The City has been working in collaboration with its Rental Housing Stakeholder Advisory Group to increase the availability of housing in Tacoma *and* ensure that every resident in Tacoma, including our most vulnerable populations, has access to stable housing. The City's Rental Housing Stakeholder Advisory Group is comprised of City of Tacoma staff, non-profit and affordable housing representatives, landlord and tenant advocates, and legal representatives.

On July 11, 2023, the Tacoma City Council passed Amended Substitute Ordinance 28894, which updated the Rental Housing Code (TMC 1.95, RHC) to strengthen requirements around notices to increase rent; shared housing standards; standardized tenant screening criteria; standards for fees and deposits; business license, health and safety requirements; rental agreement regulations and more.

## Who does the Rental Housing Code apply to?

The Rental Housing Code applies to anyone who owns, operates, or rents residential rental property within Tacoma city limits, regardless of property size or number of units.

## When do the latest updates go into effect?

July 24, 2023

# An Overview

## New Requirements for Landlords

- 120-day written notice needed before increasing rent
- New standards that apply to shared housing arrangements
- Standardization of tenant screening criteria
- Limitations on imposing late fees and withholding pet damage deposits
- Stronger business license, health, and safety requirements
- New rental agreement regulations
- Requirement to advise tenants of option to pay move-in fees in installments

## New Protections for Tenants

- Double the amount of notice for rent increases, from 60 to 120 days
- Greater protections for subleasing tenants in shared housing arrangements
- Established maximum income-to-rent ratios
- Elimination of blanket bans on felony or drug convictions and arrest records
- Landlords prohibited from using Social Security Numbers as the sole tenant screening method
- No late fees exceeding 1.5% of monthly rent with a maximum limit of $75 per month
- More time to pay move-in fees
- Landlords prohibited from pursuing eviction or increasing rent without a current City rental business license or if the unit is dangerous or unsafe
- New limitations on pet restrictions

**Scan this code to learn more, find opportunities to engage, or request information in an alternate format!**

## cityoftacoma.org/rentalhousingcode

## Notices to Increase Rent

A 120-day written notice to the tenant will now be required. Subsidized housing and deed-restricted affordable housing are exempt from this requirement.

## 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 (i.e. spaces used for living, sleeping, eating or cooking) 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.

## Standardized Tenant Screening Criteria

Landlords cannot:

- Exceed maximum income-to-rent ratios [Note: The City establishes its limits on income-to-rent ratio based on Fair Market Rent (FMR) – or what someone would typically pay for a moderately-priced unit in a given area.]
- Place blanket bans on prospective tenants with felony or drug convictions, and arrest records
- Require a Social Security Number as the only way to conduct screening [Note: Alternative proof to establish eligibility must be accepted.]

## Standards for Fees and Deposits

Late fees cannot exceed 1.5 percent of monthly rent, with a maximum limit of $75 per month, and landlords must actively take steps to recover late fees during tenancy by serving quarterly notices or invoices, and tenants will have more time to pay move-in fees, depending on length and type of rental agreement. Landlords will be prohibited from:

- Withholding late fees from deposits, or reporting information regarding late fees to prospective landlords at the end of tenancy, if late fees were not addressed during tenancy
- Assessing late fees on charges that are not rent, such as installment payments, deposits, or amenities like parking
- Requiring a pet damage deposit exceeding 25 percent of one month's rent
- Withholding full refund of a tenant's pet damage deposit if unused

## Business License, Health, and Safety Requirements

A landlord will not be able to pursue eviction or increase rent without a current City of Tacoma rental 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.

## Rental Agreement Regulations

On rental agreements, landlords are:

- Required to state the legal number of occupants and habitable spaces in the unit.
- Required to provide a name and physical address, in addition to any rental portals or online tools to pay rent, request repairs, and file complaints. [Note: If a landlord does not reside in the state of Washington, there must also be an authorized agent who resides within Pierce County, as outlined in RCW 59.18.060(15).]
- Prohibited from regulating or restricting dogs based on breeds, unless they have an insurance company-required breed restriction, provided that any breed of service animal shall be allowed.

**To learn more, find opportunities to engage, or request information in an alternate format, visit cityoftacoma.org/rentalhousingcode.**