

MEMORANDUM

To: Members of the Seattle City Council
From: Nathan Torgelson, Director
Date: December 15, 2022
Subject: Response to SLI SDCI-009-B-001: Small Landlord Stakeholder Group

SLI SDCI-009-B-001 directed the Seattle Department of Construction and Inspections (SDCI) to convene a staff and stakeholder group to advise the City on regulatory and rental market challenges for small landlords and their tenants. The group was asked to:

- Propose a definition of "small landlord"
- Estimate the population of small landlords with units in Seattle
- Make findings about how current regulations and market trends impact small landlords and their tenants and identify whether those impacts are disparate

Participants

The SLI directed that the stakeholder group should consist of: "no more than seven members plus a moderator, who is an SDCI supervisor, and must also include: (1) two SDCI employees who either administer regulations applicable to landlords or provide services to tenants; (2) at least one landlord that rents three or fewer units; and (2) at least one member of a tenant advocacy organization, such as the Tenants Union."

With this guidance, SDCI invited the following organizations and their representatives to attend:

Organization	Role	Primary	Alternate
Stakeholders			
Seattle Grassroots Landlords	Small Landlord	Marilyn Yim	Angie Gerrald
Rental Housing Association	Small Landlord	Christopher Cutting	Sean Flynn
Housing Connector	Small Landlord (affordable housing)	Jim Yearby	
Be:Seattle	Tenant Advocacy	Kate Rubin	
Catholic Community Services	Tenant Advocacy	Jana Lissiak	
SDCI	Property Owner and Tenant Assistance	Stella Washington	
SDCI	Property Owner and Tenant Assistance	Maureen Roat	
Observers			
Council Central Staff		Asha Venkataraman	
Council Central Staff		Ketil Freeman	
Support and Resources			

SDCI		Geoff Tallent	
SDCI		Quinn Majeski	
SDCI		Dulcie O'Sullivan	
Seattle Office for Civil Rights (SOCR)		Mike Chin	

Meetings were open to the public and a handful of observers were frequently in attendance. There was no public comment period offered due to time constraints, but observers were invited to submit any written comments via email to SDCI staff. No such comments were received.

Structure and Timeline

The stakeholder group met six times from August to November. Meetings were conducted over WebEx. SDCI employed pre- and post-meeting surveys to help solicit feedback, make adjustments, and organize the agenda for upcoming meetings. The schedule and agendas for the stakeholder group's meetings are outlined below.

Meeting #1, August 30th

- Welcome and introductions
- Technology overview
- Ground rules and expectations
- Background on Seattle's rental housing laws, outreach, and enforcement
- RRIO data and trends

Meeting #2, September 13th

- Discussion on small landlord definition, characteristics, and thresholds
- Examination of small landlord definitions and policies in peer cities
- Initial issue mapping for administrative proposals

Meeting #3, September 27th

- Presentation and discussion on draft small landlord definition
- Deep dive on City roles, legislation, and budget processes
- Initial framework for organizing and presenting administrative proposals

Meeting #4, October 11th

- Presentation and discussion on draft administrative framework
- Additional discussion on specific administrative proposals
- Initial issue mapping and discussion about legislative proposals

Meeting #5, October 25th

- Additional discussion on administrative framework
- Office for Civil Rights presentation on Fair Chance Housing, enforcement practices, and data trends

- Continuations of discussion on legislative changes

Meeting #6, November 8th

- Presentation and discussion on draft legislative framework
- Continuation of discussion on legislative changes
- Presentation of findings from the draft rental market study

The stakeholder group had a wide range of interests, limited time, and many ideas to share and discuss. For those reasons, the group did not seek consensus recommendations on any topic. Rather, the concerns and ideas offered by stakeholders were explored, refined, and put into context. In many cases explicit disagreements were noted. The ideas offered in this report should not be viewed as consensus recommendations or endorsed by all participants in the stakeholder process.

Small Landlord Definition

In discussing possible definitions and thresholds of small landlords, the stakeholder group found it productive to first identify the characteristics common to most small landlords. These characteristics are outlined below:

Small landlords engage directly with their tenants and properties

- Tend to have a more personal relationship with tenants
- Many live locally or have a strong connection to the property and community
- Often perform their own repairs, maintenance, and rent collection
- Offer housing stock that is generally not provided by larger landlords, such as single-family homes and duplexes (OPCD's Housing Choices study, January 2020)

Small landlords have more risk exposure and fewer resources than large landlords and institutional property investors

- Financial risk: have fewer units across which to spread risk; loss of income can quickly result in financial hardship, negative impacts to personal credit and financing, and potential mortgage default; business and personal assets tend to be more blended compared to larger landlords; intimidated by risk of high-dollar regulatory penalties
- Legal risk: more directly involved and exposed to legal issues such as regulatory compliance, property damage, evictions, and lawsuits
- Personal risk: more direct exposure when problems arise in the landlord-tenant relationship. For example, living in proximity, going on site to address maintenance issues, or serving notices
- More likely to exit the residential rental market if regulations are too risky, unpredictable, or onerous

Small landlords are more directly involved in tenant selection and rent-setting

- May favor tenant stability over rent maximization
- May be less influenced by market analysis
- May have more flexible screening criteria

Small landlords have other jobs and/or demands on their time

- Many have another job which is their primary source of income
- Often dependent on third parties for property management, maintenance, and legal support
- May be less aware of current regulations, best practices, and resources due to limited resources and less frequent turnover.
- More likely to be “situation” or “circumstantial” landlords who rent a property due to job change, marriage/divorce, aging in place, inheritance, etc.
- Unlike large landlords, may use rental housing as a means of qualifying for their own primary home (e.g., could only afford to qualify for a housing loan if they bought a small duplex or house with ADU and use rental income to help pay mortgage)

Stakeholders also referenced results of the 2018 Rental Housing Study conducted by the University of Washington, which collected responses from approximately 4,300 landlords in Seattle. The study found that small landlords reported raising rents less frequently and significantly than larger landlords and tended to have more flexible screening criteria. 59% of landlord respondents reported earning less than \$75,000, while 8% reported total annual income above \$150,000. 12.7% said they use rental units as a primary source of income, 28% to support their retirement, and 33.5% as a supplementary source of income (the remainder provided multiple uses).

The stakeholder group agreed that City staff and elected officials should consider these characteristics and potential impacts when working with small landlords and weighing new rental housing regulations and policies.

Unit Threshold

The stakeholder group did not come to full agreement on firm thresholds between small, medium and large landlords. Many felt that a person who owned 10 or fewer units should be considered a small landlord – a threshold used by the Office of Planning and Community Development’s 2020 “Housing Choices” report, federal lender Freddie Mac, and research organizations like the Urban Institute¹²³. Others felt the number should be closer to 4 or fewer units, which was used in City’s winter eviction ordinance. The stakeholders also discussed an additional category of very small landlords, such as people who rent an ADU or rooms in their owner-occupied home. These landlords exhibit the characteristics above, but often to a greater degree due to the proximity to their tenants.

¹ “Housing Choices Report.” Seattle Office of Planning and Community Development, January 2020. <<https://www.seattle.gov/Documents/Departments/OPCD/OngoingInitiatives/HousingChoices/OPCDHousingChoicesPublicEngagementSummary.pdf>>

² “Spotlight on Underserved Markets: Single Family Rental — An Evolving Market.” Freddie Mac, 2018. <<https://mf.freddiemac.com/docs/single-family-rental-markets.pdf>>

³ “Black and Hispanic landlords are facing great financial struggles because of the Covid-19 pandemic.” Urban Institute, September 4, 2020. <<https://www.urban.org/urban-wire/black-and-hispanic-landlords-are-facing-great-financial-struggles-because-covid-19-pandemic-they-also-support-their-tenants-higher-rates>>

Some stakeholders also put forward an alternative consideration of defining “small rental properties” rather than “small landlords,” noting recent national analyses that have taken this approach⁴. While ownership can be complex when considering partnerships, family trusts, and/or ownership through LLCs, property size is easy to determine by number of units.

Under this concept, the city would tailor “small landlord” policies toward the building, without regard to the total number of units or properties owned. This would be easier to administer and would ensure all small landlords are included, though some small properties owned by larger landlords would also be included. The City does not have a good data on the characteristics of ownership, so it is unclear how many owners of multiple small properties would be included in this approach. Other stakeholders felt that this was overly broad and did not capture whether a property was owned by a small landlord.

Small Landlord Population

SDCI provided the stakeholders with information on the population of small landlords from two sources.

Rental Registrations – Property registrations under the Rental Registration and Inspection Ordinance (RRIO) contain information about the owners and number of units on each registered rental property. Identifying individual owners in the RRIO data and how many properties they own has proven unreliable because of the wide range of ownership (e.g. individuals, partnerships, LLCs) and variability in how owners self-reported their information. Unit counts are more reliable in RRIO and properties with fewer units can be considered an approximate surrogate for small landlords.

The table below shows RRIO registrations by property size over recent years. This data has significant limitations for estimating the total number of properties. RRIO includes short-term rentals, nearly all of which are in the small size classes. The RRIO system does not distinguish these properties so they could not be removed from the counts. RRIO also has an apparent problem with non-compliance, with an unknown, but potentially large drop in registrations during the pandemic.

Size Class	July 2018		May 2020		August 2022	
	Properties	Units	Properties	Units	Properties	Units
Single Unit	21174	21174	23853	23853	18740	18740
2 to 4 Units	5145	13529	5420	14156	4072	10678
5 to 20 Units	3239	30951	2824	27394	2536	24951
21 to 50 Units	877	27503	829	26069	805	25353
51 to 99 Units	286	20112	290	20482	307	21633
100 to 199 Units	155	21291	164	23108	169	23428

⁴ “The Impact of the Pandemic on Landlords: Evidence from Two National Surveys.” Joint Center for Housing Studies Harvard University, Terner Center for Housing Innovation at UC Berkeley, September 2021. <<https://www.jchs.harvard.edu/research-areas/working-papers/impact-pandemic-landlords-evidence-two-national-surveys>>

200+ Units	71	19869	87	25517	100	29110
TOTAL	30947	154429	33467	160579	26729	153893

Rental Market Study – In response to CBA SDCI-007-C-001, SDCI and the Office of Planning and Community Development (OPCD) worked with a consultant, TrueRoll, on a rental market study. As part of that study, TrueRoll created a data set estimating the total number of rental households broken down into four categories:

- *“Mom and pop” landlords* – 10 or fewer units, individual ownership (not incorporated), across 3 or fewer parcels and 6 or fewer buildings
- *Small property managers* – 10 or fewer units, incorporated ownership, across 3 or fewer parcels and 6 or fewer buildings
- *Midsized property owners* – Between 11 and 49 units across 4 to 19 parcels
- *Large property owners* – More than 50 units and/or more than 20 separate parcels

TrueRoll’s data show the follow numbers each category of ownership in 2015 and 2021:

	2015		2021	
	Owners	Units	Owners	Units
Mom and pop	24,768	35,063	24,618	33,909
Small property manager	1,360	4,259	2,035	5,984
Midsized property manager	3,093	63,270	3,120	76,298
Larger property manager	333	57,307	344	77,945

The counts above should be viewed as representative, but not exact. The study data is derived from multiple data sources to identify and match ownership with rental properties. The total number of units in the study data for 2020 is 190,393. According to Census data, the number of renting households in 2020 was 186,406. The close agreement in unit counts gives some confidence that the TrueRoll ownership data is reasonably complete and representative

Administrative Issues and Proposals

	Proposal	Why	Context	Administrative	Budget
1	Put SDCI Renting in Seattle contact information on all landlord update emails	Not all communications include a clear point of contact at SDCI. This creates additional work and confusion for small landlords.	E-mails usually refer landlords to the website for self-service. Website has the phoneline contact information.	<ul style="list-style-type: none"> • Easy to implement • May increase calls and further impact response times 	Could create a budget impact if additional staff capacity is needed to field a resulting increase in calls.
2	Add or redeploy City staff in a non-regulatory role to answer landlord questions / coaching	<p>Small landlords often feel uncomfortable approaching staff in an enforcement role with questions about emergent situations for fear that asking for clarification could trigger an enforcement response.</p> <p>There is no identified ombudsman or support resource for small landlords.</p>	<ul style="list-style-type: none"> • Currently POTA team fields all complex landlord-tenant calls and complaints • Coaching is usually not urgent and gets lower priority in response time • SDCI team takes anonymous calls; outreach lead is in non-regulatory role 	<ul style="list-style-type: none"> • If no new staff, would create an upfront increase in workload (though coaching could reduce future compliance issues) • Separating the roles would make it more difficult to ensure consistent information 	New position(s) would need to be approved through City budget process.
3	Establish a small landlord stakeholder advisory committee or expand the Renters' Commission to include landlords as a "Renting in Seattle" Commission	Small landlords do not have a regular forum to provide input on City policy and decision-making either via commissions or on subject matter expert panels before committees & council.	<ul style="list-style-type: none"> • The Renters' Commission established by ordinance; changes would require legislation • Consideration of small versus all landlords; inclusion of property managers • Level of sponsorship: SDCI, Mayor's Office, Council 	<ul style="list-style-type: none"> • Organizing and facilitating meetings for a new group would require dedicated staff time 	New position(s) or contracted facilitation would need to be approved through City budget process

	Proposal	Why	Context	Administrative	Budget
4	Send an annual email to the RRIO list asking for voluntary updates	SDCI doesn't have information on why people are leaving the system. Having more contact would be helpful to provide that context.	<ul style="list-style-type: none"> • SDCI is currently on a two-year renewal cycle, in contact with customers every other year at a minimum 	<ul style="list-style-type: none"> • Might require a change to the RRIO IT system • SDCI internal IT capacity limited; updates are prioritized among many lines of business • Would create a near-term increase in workload 	<ul style="list-style-type: none"> • One time IT implementation costs and/or outreach and administrative staffing • Could be paid out of RRIO fees.
5	Provide a more clear way for landlords to report their properties as withdrawn from the rental market. Add a RRIO exit survey to all non-renewing property owners.	This would provide a method of collecting feedback on why property owners opt to remove units/properties from use as long-term rentals. Comments could be compiled in a representative annual recap for policymakers.	<ul style="list-style-type: none"> • RRIO IT system currently captures a change in status to “withdrawn” which does not capture more details. 	<ul style="list-style-type: none"> • Would require a change to the RRIO IT system • SDCI internal IT capacity limited; updates are prioritized among many lines of business • Need to answer who would receive and analyze this information 	One time IT implementation costs. Could be paid out of RRIO fees.
6	Publish regular RRIO registration data trends	Provides a snapshot of gains and losses in different sizes/types of rental housing inventory over time (monthly or quarterly).	<ul style="list-style-type: none"> • RRIO Program publishes annual report each spring with some data • RRIO IT system continuously overwrites data and does not capture data snapshots • RRIO data available on City open data portal 	<ul style="list-style-type: none"> • Would require staff time to retrieve, analyze, and post data on a regular schedule, or • Build automation into the IT system. SDCI internal IT capacity limited; updates are prioritized among many lines of business 	One time IT implementation costs. Could be paid out of RRIO fees.

	Proposal	Why	Context	Administrative	Budget
7	Provide hyperlinks to specific municipal code throughout the Renters' Handbook and Renting in Seattle website	"Plain language" explanations are not sufficient for legal clarity and often miss key context or exemptions. Direct links are necessary to keep track of complex and frequently changing regulations.	<ul style="list-style-type: none"> • These exist in some places on Renting in Seattle website, but not all • No links in online version of renter's handbook. 	<ul style="list-style-type: none"> • Possible with existing resources; largely a question of time and prioritization 	
8	Perform an impact evaluation of the First-in-Time law as specified in SMC 14.18.050	This evaluation was included in statute but has not been directly conducted. First-in-Time's impacts and effectiveness have not been fully assessed or evaluated.	<ul style="list-style-type: none"> • The City Auditor performed the 2018 rental housing study in lieu of an evaluation at that time because no baseline data was available for impact evaluation. It did not meet the intent of a post-implementation evaluation. 	<ul style="list-style-type: none"> • SOCR does not have the capacity or expertise in-house; better conducted as a consultant study 	A consultant study would need to be approved and funded through the City budget process.
9	Evaluate the impact of all new regulations passed in last 5 years	The pace of new regulations is having significant impacts on small housing providers. The City should assess and understand the range of impacts that this layering effect has had.	<ul style="list-style-type: none"> • Many new state and local regulations have gone into effect that increase risk for small landlords • Eviction process has changed significantly due to regulation, more contested evictions, cost and difficulty finding representation 	<ul style="list-style-type: none"> • Would require additional staffing and/or a consultant contract 	New position(s) or contract funding would need to be approved through City budget process.

	Proposal	Why	Context	Administrative	Budget
10	Evaluate the impacts of Seattle’s 2-year COVID eviction moratorium on rental housing supply and possible policy responses	The moratorium resulted in major non-payment, nuisance, property damage, and harassment. Its effects on small-scale rental housing inventory, costs, safety, and viability are not understood.	<ul style="list-style-type: none"> • The moratorium has ended but its long-term impacts are not fully understood • Clarity needed on goals and outcomes of the study 	<ul style="list-style-type: none"> • SDCI does not have the capacity or expertise in-house; better conducted as a consultant study 	A consultant study would need to be approved and funded through the City budget process.
11	Establish mentorship opportunities for new and aspiring small housing providers	<p>Many renters do not see a future in which they can own property themselves; the City could use this as a tool to encourage more moderate-income and BIPOC home ownership.</p> <p>Examples include subsidized RHA memberships and classes for rental owners at risk of displacement, or access to rental financing and peer small landlord support for marginalized communities.</p>	<ul style="list-style-type: none"> • Aligns with the City’s broader goals for advancing racial equity and combating displacement 	<ul style="list-style-type: none"> • SDCI does not have the capacity or expertise in-house; better done through a nonprofit contract 	New position(s) or contract funding would need to be approved through City budget process.
12	Provide free credit score coaching for tenants	Help support tenants develop their credit history to open up additional rental housing opportunities and economic benefits	<ul style="list-style-type: none"> • Overlaps with existing credit score resources (e.g. Federal Trade Commission) 	<ul style="list-style-type: none"> • Could potentially be integrated into existing tenant resource trainings • Additional City-led instruction would require more staff resources 	Budget impact if more staff capacity needed. Potentially delegate to OED or community resources, existing non-profits.

	Proposal	Why	Context	Administrative	Budget
13	Maintain a summary and timeline of legislative changes since 2015, updated as new legislation is adopted	Small landlords with few units and infrequent tenant turnover often face challenges keeping up with regulatory changes or getting up to speed when a vacancy occurs. An accessible reference summary would help address this issue.		<ul style="list-style-type: none"> • Possible with existing resources; largely a question of time and prioritization 	N/a
14	Include small rental property ownership in City planning and housing policy decisions	The impacts of policy and long-range planning efforts at the City rarely consider impacts to current or future small rental housing providers. Applying such a lens to these efforts would better illuminate impacts to small landlords and corresponding impacts to the housing market.			Unclear. Dependent on scope and scale of evaluation being implicated across departments (OPCD, Office of Housing, etc.)
15	Strengthen relationships with public and private researchers to encourage information-sharing on our local rental market	Information on Seattle’s rental housing market is incomplete. Better data could help inform administration and policymaking.	<ul style="list-style-type: none"> • Aligns with Rental Market Study consultant (TrueRoll) recommendation for better data • May be limits to free data sharing 	<ul style="list-style-type: none"> • Can be done with existing resources 	N/a

	Proposal	Why	Context	Administrative	Budget
16	<p>Allow tenants to open their own Seattle Public Utilities accounts for water/sewer/garbage</p>	<p>Tenants are not allowed to open accounts with SPU, which means landlords are responsible if a tenant doesn't pay their bills. These can add up to significant sums.</p> <p>There are practical issues with tenants not being able to directly access their account (e.g. change container size, report missed collection, etc.) On-time utility payments could help renters build credit</p>	<ul style="list-style-type: none"> • SPU's ability to collect utility payments is tied to lien authority, which is connected to the property. Tenant accounts may result in additional nonpayment and corresponding impacts to ratepayers 	<ul style="list-style-type: none"> • Would require changes to SPU's IT system, customer service, meters, and collections systems 	<ul style="list-style-type: none"> • Budget impacts uncertainty, but likely substantive

Legislative Issues and Proposals

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
First in Time	<ul style="list-style-type: none"> • Benefits people who have better online access and schedule flexibility disadvantages blue collar, service industry, & domestic workers • Impacts small landlords' ability to be flexible for 'less perfect' tenants • Incentivizes landlords to raise their criteria because they cannot control who applies first • Small landlords are fearful of potentially high civil penalties 	<ul style="list-style-type: none"> • Conduct an evaluation of the policy's effectiveness • Allow for an exemption to first in time to support very specific tenant criteria (i.e. low-income) • Exempt small landlords 	Would allow conscious or unconscious bias to enter into landlords' decision making about prospective tenants.

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
<p>Roommate Law</p>	<ul style="list-style-type: none"> • Limits ability for landlords to screen and prohibits exclusion of family based on screening • Allows tenants to add people with a very loose familial connection (much broader than the definition of family for landlords under Just Cause) • Tools for removing problem roommates are currently slow and sometimes ineffective: <ul style="list-style-type: none"> ○ The eviction process is limited (school year, winter restrictions) and takes a long time to work through ○ Overloading rental units can cause more wear and tear, utility usage, and impact to neighbors, but landlords are prohibited from increasing housing costs for any additional occupants • Impacts of problem roommates and overloading can extend to other tenants and neighbors • Small landlords want to have risk management business decision-making over who they are entering into an official landlord-tenant relationship with 	<ul style="list-style-type: none"> • Align definitions of family between roommate law and just cause • Allow exclusion of family members who do not meet landlords established screening criteria • Do not extend holdover rights to additions when the original tenant leaves • Allow for rent to be increased per additional roommate plus collect the deposit difference • Exempt small landlords 	<p>Taking on roommates is a way for renters to afford increasing rental costs</p> <p>Remaining tenants added under the law could be disrupted when principal tenant moves, passes away, etc.</p>

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
<p>Winter and School Year Eviction Restrictions</p>	<ul style="list-style-type: none"> • Small landlords have few units to spread risk across. Going up to 10 months without payment can cause major financial harm (i.e. defaulting on their mortgage) • The winter eviction moratorium isn't means tested. If the intent is to prevent low-income people from becoming homeless, then the restriction should only apply to those who meet that criterion • The definition of those who are impacted by the school year eviction restrictions is extremely broad (staff who are unrelated to academic instruction) • Making these a defense against behavioral evictions prevents landlords from addressing problem before the escalate • Every eviction is contested now, and having only 2 months to seek an eviction with a 12-month court backlog effectively prevents any eviction action 	<ul style="list-style-type: none"> • Fund the small landlord mitigation fund to mitigate economic hardship due to eviction restrictions • Apply broader exemptions for criminal and behavioral issues • Apply a means test to the winter eviction moratorium • Narrow eligibility of school year eviction restrictions to focus on school age children and teachers • Exempt small landlords from the school year eviction restrictions; expand winter eviction exemption beyond 4 units and under 	<p>Fewer tenants would be categorically exempt from eviction.</p>
<p>Renter's Handbook Distribution</p>	<ul style="list-style-type: none"> • Some landlords and tenants would prefer to have an electronic copy of the handbook • Printing is not environmentally friendly • Physical copies could be made available at Seattle Public Libraries and Neighborhood Service Centers and on request 	<p>No longer require physical copy of Renter's Handbook at move-in</p>	<p>Some tenants appreciate the handbook and keep it as a resource.</p>

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
Fair Chance Housing / Criminal Records Ban	<ul style="list-style-type: none"> • Criminal history can be a significant risk for small landlords and should be evaluated, particularly for owner-occupants • Concern about legal liability, potentially getting sued by other tenants/neighbors • Non-profit housing providers are exempt from this requirement, small landlords should be as well 	Exempt small landlords	Individuals with criminal history would have more difficult securing housing.
Right of First Refusal	<ul style="list-style-type: none"> • Most landlords want to renew tenants in good standing; turnover is expensive and unwieldy • Having an annual termination date provides an important, non-litigatory option for ending an unsustainable or unhealthy housing contract • There is notification, protection, and mitigation built into other statutes 	Exempt small landlords	<p>Tenants would not be guaranteed an opportunity to receive a new lease for their consideration.</p> <p>Just Cause protections would not apply to lessees at the point of lease termination.</p>

<p>Just Cause Eviction</p>	<ul style="list-style-type: none">• Protection orders (harassing, stalking, threats of landlord, staff/contractors, and other tenants) along with other civil incidents don't meet the just cause standard for criminal activity; the law should not require that a situation escalate to criminal activity before intervening to keep people safe• Even for criminal activity, law enforcement staffing levels are low; response times for drug activity and behavioral health issues are significantly delayed• Habitual failure to pay rent and lease violations are too generous, and considering them separately from one another exacerbates the issue• Property owner's intent to sell should apply not just to single family homes, but townhomes, duplexes, triplexes and condos as well. Small landlords own these types of properties and should be allowed to sell their property if they no longer wish to rent.• When attempting to sell a property, the landlord should have a longer period than 30 days to attempt to sell the unit after the tenant vacates. Preparing a listing for market often requires repairs and sometimes involves substantial renovations and	<ul style="list-style-type: none">• Harassment, intimidation, and other civil incidents should qualify as a just cause; perhaps 3 such incidents in a 12-month period like lease violations• Lower and combine thresholds for habitual late rent and lease violations. Amend to allow for three instances of any lease violation (including late rent) over the last 12 months or a lifetime limit of five• Extend intent to sell just cause to townhomes, duplexes, triplexes and condos; extend the window to attempt to sell significantly (up to 1 year)• Aligning Seattle's code with state law would address some of these issues (harassment, other criminal activity)	<p>Additional and expanded just causes would provide more avenues for tenants to be evicted.</p>
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Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
	<p>permits – all of which take more than 30 days.</p> <ul style="list-style-type: none"> • The tenant relocation license required for substantial rehabilitation takes 6 to 12 months, which can be a difficult timeline for small landlords 		
Right to Counsel	<ul style="list-style-type: none"> • This program means that every case is now contested, adding to the lengthy court backlog & costs of eviction • Complex regulatory environment creates a variety of potential technicalities that can get a case tossed out • Significant increase in litigation and time to reach a decision in the court system is resulting in more lost rental income • Delays extend to dangerous tenants or people abusing the system 	<ul style="list-style-type: none"> • Apply an evidence-based means test • Provide free legal counsel for small landlords in need of assistance as well 	Tenants with less means would be left without effective representation, making eviction more likely.

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
<p>Economic Displacement Relocation Assistance (EDRA)</p>	<ul style="list-style-type: none"> • Significant financial cost of a legal activity (raising rent) is essentially rent control • Very different from other city relocation assistance: no maximum cap, landlord responsible for 100% of the payment. • 10 days is a very short time period for small landlords to come up with a significant cash payment. • The money is given to tenants before any potential appeal is decided. Even if an appeal is successful, it's a long time to forgo thousands of dollars. • 180 day rent increase notification plus 8 more months for tenant to apply for EDRA means tenants may receive payment when the lease would have been expiring anyway & they were already planning to move, i.e. they aren't moving due to the new rent & never would have paid it 	<ul style="list-style-type: none"> • Model after existing TRAO laws: capped payments and a 50-50 split between the City and property owner (or just the City) 	<p>Capping payments would reduce the amount of assistance to tenants.</p>
<p>Rent increase Notifications</p>	<ul style="list-style-type: none"> • 180 days is too long to predict property cost increases and market norms • Encourages housing providers to “guess high” and raise rents more than what they might with a shorter notice requirement • No consideration for size of rent increase; applies even to small changes 	<ul style="list-style-type: none"> • Allow for a shorter notification period (90 days) for smaller rent increases (e.g., less than 10% or under a fixed dollar threshold) • Allow for shorter notification period with evidence of repair/utility/tax costs leading to the increase 	<ul style="list-style-type: none"> • Tenants would receive less notice of upcoming rent increases • Rent increases might be smaller if landlords feel less pressure to “guess high” • Tenants might feel pressure not to report maintenance issues if it means their rent will go up

Policy	Stakeholder Issues/Concerns	Potential Changes	Possible Tenant impacts
Move in fee limits	<ul style="list-style-type: none">• Higher deposits are a tool used to mitigate for riskier tenant applicants; capping deposits discourages landlords from taking on riskier tenants• 6 months is too long to force housing providers to stretch out security deposit payments; increases housing provider risk on the front end of a lease	<ul style="list-style-type: none">• Allow landlords to collect larger deposits in order to extend an offer of housing to someone who otherwise would not pass typical tenant screening (would require changes to first in time)• Reduce payment plans to 3 months	A shorter payment plan period may be harder for some tenants to afford.

Additional Obstacles and Deterrents

In addition to specific administrative and regulatory issues, small landlord representatives on the stakeholder group expressed concern about the broader environment for small landlords in Seattle. The concerns that they expressed, which don't fall neatly into administrative or regulatory categorization, are documented below:

- **Increasingly Complex and Layered Regulatory Environment** – Small landlords find the City and state rental housing regulations are complex, overlapping, and rapidly changing. Information and resources about these changes are hard to keep up with. The cumulative effect of these laws is more than each individual regulation, and small landlords don't have the resources that corporate housing providers do to navigate them.
- **Lack of Analysis** – Little analysis has been conducted on any of the major rental housing regulations that the City has passed to determine if it is achieving its intended outcome, nor has the cumulative impact of those laws on rental housing supply been evaluated. The small landlords believe the City does not adequately assess the impacts of prospective legislation on the housing market when considering new regulations.
- **Lack of Information** – Small landlords find the resources and information for landlords are inadequate. There are no City department or staff whose role is dedicated to support small housing providers and help track issues of concern. SDCI has dual roles of assistance and enforcement. Non-urgent assistance calls to the Renting in Seattle hotline often take weeks to get a response.
- **Lack of Engagement and Input** - There is no regular forum for small landlords to provide feedback on legislation. In small landlords' experience, their input is not requested to inform legislation or policy. Small landlords' opportunity for input is mainly brief public testimony at Council meetings.
- **Negative Rhetoric** – Small landlords feel some public officials and other stakeholders involved in policymaking have created and perpetuate a very negative narrative of housing providers as greedy, dishonest, uncaring, and fundamentally to blame for Seattle's housing crises. This perpetuates an "Us vs. Them" mentality and sends a clear message that feedback from housing providers is not wanted or valued.
- **Fines and Penalties** – Potential penalties for violating rental housing market regulations can be steep. Even if they are rarely applied, the threat of large penalties can be enough to discourage small housing providers.
- **Court Access** – While most small landlords prefer to resolve issues outside of court, access to the legal system is an important backstop for dealing with unsafe or otherwise untenable tenancies. Small landlords are finding court proceedings for eviction and other legal action are drawn out, expensive, and lack consistency or predictability.
- **Crime and Law Enforcement Support** – In extreme cases, police support is needed to handle dangerous tenant situations. As is happening citywide, small landlords report having difficulty securing a police response for some criminal activity. These issues are having an impact on safety for landlords and other tenants.